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Ontario

NOT-FOR-PROFIT INCORPORATOR'S HANDBOOK

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This Handbook
has been prepared jointly by
the Companies Branch of the Ministry of Consumer and Commercial Relations
and the Office of the Public Guardian and Trustee for Ontario, Charitable Property Division

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PART 1 ■ GENERAL INFORMATION

Introduction

1.1 The purpose of this Handbook is to provide both the layman and the professional with some general information on the nature of a not-for-profit corporation and guidelines on how to incorporate such a corporation. It is hoped that the information set out in the following pages will be useful to those unincorporated organizations that may wish to incorporate without the assistance of a lawyer and to those professionals in general practice who may wish to have a ready reference available on special types of corporations, such as charities.

All not-for-profit corporations are subject to the **Corporations Act** and the Regulations made thereunder. Incorporation of not-for-profit corporations is at the discretion of the Minister (or his delegate). Certain pertinent sections to the Act and the Regulations are included in this Handbook. The reader is, however, referred to the Act and the Regulations to examine those sections not set forth. A copy of the **Corporations Act** and Regulations may be purchased in person at:

Publications Ontario
880 Bay Street
Toronto, Ontario
M7A 1N8

For mail order service telephone (416) 326-5300 or toll free 1-800-668-9938.

This Handbook contains general statements concerning the requirements of the Act and Regulations which are intended to serve only as a general guide and not as a substitute for statute when dealing with specific problems. Also, reference to this Handbook should not be a substitute for consultation with a lawyer on legal considerations or an accountant on financial matters.

Nature of a Corporation

1.2 In law, a corporation is an artificial person or a legal entity having an independent existence, separate and distinct from that of its members. The corporation owns property in its own name, acquires rights, obligations and liabilities, enters into contracts and agreements and has the capacity to sue and be sued as would a natural person.

Thus, for example, a corporation may be insolvent while its individual members may be wealthy. As a separate legal entity a corporation is not affected by changes in its membership and its existence continues in perpetuity unless its members or the Government take steps to dissolve it.

A corporation is managed or governed by a board of directors which is elected by the members. Usually the board of directors, in turn, either elects or appoints officers such as secretary, treasurer, president etc. who are responsible for the actual operation of the corporation.

Neither the directors, officers nor members "own" the corporation nor do they have any right of ownership to any particular asset of the corporation and the corporation may not be operated for pecuniary gain of its members, directors or officers.

In certain circumstance, a not-for-profit corporation may engage in activities that are revenue producing and that produce a "profit". Such activities must be incidental to the principal objects of the corporation and in furtherance of the principal objects. For example, a boys' hockey club may hold a dance to raise funds for new uniforms for the team. If, after paying the expenses, the dance produces a "profit", the monies belong to the club and are to be used for the benefit of the club i.e. to purchase new uniforms for its team.

Should you Incorporate?

1.3 The act of incorporation offers certain advantages to the incorporators and their successors but at the same time it also places certain responsibilities upon them. Accordingly, before proceeding with incorporation, the members of an unincorporated organization should give the matter serious consideration. In this regard you may wish to consult a lawyer who has experience in corporate matters and who, given all the facts, can advise you whether it would be to your advantage to incorporate.

It is not mandatory for a not-for-profit organization to incorporate. There are in existence hundreds, possibly even thousands, of unincorporated organizations in Ontario that are carrying on their activities without any hindrance. Unincorporated organizations do not have a separate legal existence apart from their members.

Advantages of Incorporation

As the corporation is a separate legal entity distinct from its members and has the capacity to own property, to sue and be sued, it affords limited liability protection to its members. This means that individual members are not personally liable in certain instances, for the corporation's debts and obligations.

The corporation is not affected by changes in its members, be it due to death or any other reason. Therefore, it is easier to enter into a number of transactions in the name of the corporation such as, banking, owning real estate or signing a lease or contract.

A majority of the members of the corporation have the power to bind the others by their acts.

Disadvantages of Incorporation

As the corporation is a creature of statute, it is subject to some supervision by the Government of Ontario and it must conduct its affairs in accordance with the applicable statutes. For example, the constitution or by-laws of the corporation, the election of directors and the calling of meetings of members are all governed by the **Corporations Act**. In addition, a corporation is required to report certain information on a regular basis to certain departments of the Government. Failure to comply with reporting or disclosure requirements could render the corporation and its directors and officers liable to certain penalties, the ultimate penalty being the cancellation of the charter and dissolution of the corporation.

Types of Corporations

1.4 Not-for-profit corporations are incorporated for the purpose of carrying on, without pecuniary gain, objects of a patriotic, charitable, philanthropic religious, professional, sporting or athletic character. In other words, not-for-profit corporations are engaged in activities that are of benefit to the community. They are incorporated under Part III of the **Corporations Act** as corporations without share capital.

Basically, there are five types of not-for-profit corporations:

A. General type - this would include such corporations as ratepayers' associations, business or trade associations, community organizations, etc.;

B. Sporting and athletic organizations;

C. Social clubs - these are corporations with objects in whole or in part of a social nature;

D. Service clubs such as Rotary, Lions, Kiwanis and Optimist;

E. Charities - these would include religious organizations and organizations that are engaged in carrying out certain good works that are of benefit to society. (See Part 6 in this Handbook)

One of the main differences between a charity and another type of not-for-profit corporation is that upon dissolution a charity is required to distribute its remaining assets to other charities, not to its members, whereas another type of not-for-profit corporation may (unless prohibited from so doing in its charter of by-laws) on dissolution distribute its remaining assets among its members. Also, a charitable corporation, because it usually solicits funds from the public and enjoys certain legal and tax advantages (e.g. under the **Federal Income Tax Act**) is subject to more stringent reporting requirements than a not-for-profit corporation of another type.

Incorporation Process and Corporate Maintenance

1.5 If a decision is made to incorporate you should take the following steps:

FIRST STEP Determine if objects of the organization will be those of a charity. If so, see Part 6 of this Handbook.

SECOND STEP Select the proposed corporate name (see Part 2 of this Handbook).

THIRD STEP Prepare and file the application for incorporation (see Part 3 of this Handbook).

FOURTH STEP Following the receipt of the Letters Patent of incorporation, organize the corporation (Part 4 of this Handbook).

FIFTH STEP The organization of a corporation is followed by an ongoing activity of "corporate maintenance", that is, ensuring that the corporation complies with the reporting requirements and conducts its affairs in accordance with the applicable Acts and Regulations (see Part 5 of this Handbook).

Self-help Remedies Available under the Corporations Act

1.6 The **Corporations Act** does not provide the Ministry with the authority to intervene and resolve internal disputes between members and its Board of Directors. It does provide members with various self-help remedies to ensure compliance with the Act.

You may wish to consult private legal counsel in determining the appropriate remedies available to you.

PART 2 ■ CORPORATE NAME

Name not to be Deceptively Similar

2.1 The Act (section 13(1)(a)) provides that a corporation shall not be given a name that is the same as or similar to the name of a known corporation, association, partnership, individual or business if the use of the proposed name would be likely to deceive, except where the existing corporation, association, etc. gives a consent in writing. In other words, the Act permits the granting of a similar corporate name so long as the proposed name is not CONFUSINGLY or DECEPTIVELY SIMILAR to an existing name.

Name to be Distinctive

2.2 Basically, to comply with the provisions of the Act, new corporate names must be "distinctive" - and this distinctiveness must survive certain media distortion as the corporation identifies itself to the various sectors of the public with which it interacts - including other corporations, its members, creditors, the general public and government agencies. In other words, a new corporate name must be such that it will not be confused with EXISTING names of corporations, trademarks or unincorporated organizations and will not MISLEAD or CONFUSE the public as to the undertaking or nature of the corporation or its relationship to other corporations.

Types of Distinctiveness

2.3 The name itself may be distinctive or may acquire its distinctiveness through long use.

Usually the most distinctive or unique names have a coined word as the distinctive element, for example:

- Avinta Social Club
- Zaltak Hockey Association
- 5-P Bowling Club

Unusual use or combination of generic words may produce a distinctive name, for example:

- All-That-Jazz Club
- Sorcerers Hockey Club
- Magic Eleven Soccer Club

Words that are coined using parts of other words, geographical location, numbers, initials and dictionary words make a less distinctive name.

- Sundance Social Club
- Kenora Hockey Association
- Loyal Order of Moose Lodge 35
- Guelph Dance Club
- Northern Lights Skating Club

Elements of A Corporate Name

2.4 Most corporate names consist of three elements:

1. The **DISTINCTIVE** element is the main identifier of the corporate name. It may be a coined word of a dictionary word used in a fanciful sense quite different from its ordinary meaning or a geographic term. Every corporate name must have a distinctive element.
2. The **DESCRIPTIVE** element describes the nature of the main corporate undertaking. Care should be taken not to use terms that may be misdescriptive or misleading.
3. The **LEGAL** element indicates the status of the organization as an incorporated body. Either "Corporation" or "Incorporated" or "Incorporée" or their abbreviations may be used. The use of this element is optional.

DISTINCTIVE ELEMENT	DESCRIPTIVE ELEMENT	LEGAL ELEMENT
Canvelo	Cycling Club	Inc.
Village Green	Square Dancers	
Don Mills	Student Exchange	Corp.

Name not to be too General

2.5 Regulation (section 5) provides that a corporate name shall not be too general. The reason for this prohibition is that corporate names that are too general tend to infringe on a number of existing names, are likely to contribute to confusion and unduly restrict or limit the possibility of using names in the future that otherwise would be available to the public except for the existence of the name that is too general.

A corporate name that is too general may be defined as a name that usually lacks the distinctive element (see Item 2.4 Elements of a Corporate Name).

Example A: names that are too general consist of words of general meaning that have no distinctive element to them and for the purposes of a corporate name consist of only the descriptive and the legal element:

- Student Exchange Corporation
- Cycling Club Inc.
- Jazz Singers Friendship Society

Example B: a general name can be rectified by adding the distinctive element:

- Don Mills Student Exchange Corporation
- Canvelo Cycling Club Inc.
- Soundville Jazz Singers Friendship Society

Name not to Suggest Connection with the Crown

2.6 The Act (section 13(1)(b)) provides that a corporation shall not be given a name that suggests or implies connection with the Crown or the Royal Family.

The consent of the Secretary of State, Canada, has to be obtained by the applicant where the word "Royal" is used as a prefix in a corporate name and where is suggests Royal Patronage. The onus is on the applicant to obtain such consent. The address is:

Department of Canadian Heritage
Ottawa, Ontario
K1A 0M5

Example A: corporation names that **suggest** Royal Patronage and **need the consent** of the Secretary of State, Canada:

- The Royal Agricultural Winter Fair
- The Royal Canadian Yacht Club
- The Prince Charles Youth Foundation

Example B: corporation names where "Royal" is used as a descriptive adjective in the use of "majestic" or "grand" and Royal Patronage is **not** suggested and therefore the consent of the Secretary of State, Canada, is **not required**:

- Royal Wave Surfing Association
- Royal Mountain Ski Club

Name not to Suggest Connection with Government

2.7 The Act (section 13(1)(b)) provides that a corporation shall not be given a name that suggests or implies connection with any government or a government department or agency without the written consent of the appropriate authority. In this connection particular attention should be given to the use of the words "Canada" and "Ontario". The Federal Government departments are using names such as "Revenue Canada", "Industry Canada" and care should be taken with proposed corporate names using this style.

Example A: names that **suggest** or **imply** government connection:

- Heritage Ontario
- Multi-Culture Canada
- Metro Toronto Sports and Recreation Authority

Example B: names implying government connection may be modified by rearranging and adding words thus eliminating the suggested government connection:

- Heritage Association of Kingston, Ontario
- Canadian Multi-Cultural Society of Timmins
- Sports and Recreation Association of Metro Toronto

Use of the Name of Another Province

2.8 Certain other Provinces restrict the use of the name of their Province in a corporate name. Accordingly, where it is desired to use the name of another Province in a proposed corporate name, the incorporators must obtain the consent (in writing) of the Director, Corporations Branch or Registrar of Companies, as the case may be, of the Province in question. For addresses, please see **Appendix "B".**

Languages Permitted in the Corporate Name

2.9 In Ontario the name for a not-for-profit corporation may be in any language, provided that only letters from the Roman alphabet or Arabic numerals or a combination thereof, together with such punctuation marks and other marks as are permitted by Regulation (O.Reg. 181/90 - section 8) are used. The English language is an example of a language which uses letters from the Roman alphabet.

Despite the above, the Act (section 22) provides that a not-for-profit corporation may have a special provision in its Letters Patent or supplementary Letters Patent allowing for the use of the approved corporate name in any form and any language. In other words, an exact translation of the corporate name into another language may be used. This is permitted, provided that such form and such language is clearly set out in the special provision.

Prohibited Words / Expressions

2.10 The Regulation prohibits the use of some words and expressions and restricts the use of others. Here is a summary of such prohibitions and restrictions:

Section 3 (1)

The following words and expressions shall not be used in a corporate name:

1. "Amalgamated", unless the corporation is an amalgamated corporation resulting from the amalgamation of two or more corporations.

2. "College"' "institute" or "university" except with a consent in writing on behalf of the Ministry of Education and Training.

3. "Engineer" or "engineering" or any variation thereof, except with the consent in writing of the Association of Professional Engineers of the Province of Ontario.

4. "Housing", unless the corporation is owned by, sponsored by, or connected with the Government of Canada, the Government of Ontario, or a municipal government in Ontario.

5. "Royal"' where used a prefix, unless the consent of the Crown has been obtained through the Secretary of State, Canada.

6. Numerals indicating the year of incorporation, unless the proposed corporation is the successor to a corporation the name of which is the same as or similar to the proposed corporation, or, the year is the year of amalgamation of the corporation.

7. Any word or expression that would lead to an inference that the corporation is a business corporation.

Section 6(1)

A corporate name shall not contain a word or expression, an element of which is the family name of a particular individual, who is living or who has died within the previous thirty years whether of not preceded by a given name or initials, unless the individual, his heir, executor, administrator, assigns or guardian consents in writing to the use of his name.

Section 7

A corporate name shall not contain any word or expression in any language that describes in a misleading manner the activities or services in association with which the corporate name is proposed to be used. (O. Reg. 181/90, s.7.)

For the full text the reader is referred to the official publication of the Regulations.

Choosing the Corporate Name

2.11 When choosing the corporate name, it is well to bear in mind the many and varied situations when and how the corporate name will be used. For example, the name may be used visually (stationery, signs, uniforms, cheques, correspondence, newsprint, advertising, etc.) and auditorially (telephone, radio, television). In each of these uses it would be to the advantage of the corporation to have a name that is memorable. To this end, the name should be distinctive and short.

Usually, a coined word or a dictionary word used in a fanciful sense quite different from its ordinary meaning can make a corporate name that is both distinctive and memorable. For example, "Canvelo Club" (for a cycling club) and "Magic Eleven Soccer Club" are likely to be memorable names that are easy to use visually and auditorially. As a rule of thumb, avoid using long, cumbersome names such as "Chirpsqueak Society of Friends of Non-Migratory Song Birds of South-Western Ontario".

Using your imagination in coining the distinctive element and carefully searching the proposed corporate name will, in the long run, save you time and money. Accordingly, when your group decides to incorporate, the following steps are recommended for choosing a corporate name:

1. Get your group together for a "brainstorming" session and try to come up with a word or words that would make the proposed name unique. A coined word usually is very effective. Try to have a least three choices.

2. Check section 13 of the **Corporations Act** and the Ontario Regulations to ensure that the proposed name does not conflict with the Act or the Regulations. The Regulations prohibit the use of certain words and restrict the use of others. The Act and the Regulations should be available in the reference department of your local public library or they may be purchased from:

Publications Ontario
50 Grosvenor St,
Toronto, Ontario
M7A 1N8

Telephone (416) 326-5300
or toll free 1-800-668-9938

3. After the initial choice has been made, check the proposed name against the names listed in the telephone directories, municipal directories, hobby or sports magazines, etc. Many of these publications should be available in your local public library. If your proposed name is confusingly similar to the name of an existing organization or corporation then abandon it and go to your second choice, third choice and so on, and if necessary, back to some more "brainstorming".

Checklist

2.12 You may save time and expense by checking the proposed name against this check-list. Remember, Search Houses charge a fee for each search of the proposed name in the NUANS computer file. Accordingly, before requesting the required NUANS search report, use this check-list to satisfy yourself that the name you have chosen does not conflict with the Act and Regulations.

Is the proposed name:

1. PROHIBITED BY THE ACT OR REGULATIONS?
   Section 13 of the Act and sections 3, 5, 6, 7, 8 and/or 9 of the Regulations

2. DISTINCTIVE?
   - **(a)** Too general?
     Section 5 of the Regulations
     items 2.4, 2.5 of this Handbook
   - **(b)** Only descriptive?
     Item 2.4 of this Handbook
   - **(c)** Primarily only name or surname?
     Sections 5 and 6 of the Regulations
   - **(d)** Primarily or only geographic name?
     Section 5 of the Regulations

3. MISDESCRIPTIVE?
   Section 7 of the Regulations

4. DECEPTIVE / CONFUSING?
   Section 13 of the Act

Check local telephone directories for identical or deceptively similar names.
Consider degree of similarity
- appearance
- sound
- meaning

The Corporate Name Search Report

2.13 If the proposed name does not appear to be deceptively/confusingly similar to the name of an existing organization or corporation, and does not appear otherwise to contravene the Act or the Regulations then you should contact a Search House in order to obtain an Ontario-biased name search report for the proposed name of the corporation.

A Search House is a private company that has access to the NUANS* computer data base of corporate names, trade marks and business names in use in Canada. The fees charged and services provided vary from Search House to Search House and there may be considerable difference in what you get for your money. Accordingly, it is wise to shop around and compare. The Search House will produce a computer-printed name search report and will forward the report to you. The name search report is valid for 90 days. See **Appendix "C"** Search Houses.

*NUANS - "New Upgraded Automated Name Search" system owned by Industry Canada.

Warning - use of the Proposed Name

2.14 **Do not** complete the application for incorporation until you receive the name search report. The application must be accompanied by the original Ontario- biased name search report. **Do not** print any stationery, or order a corporate seal or enter into any transactions using the corporate name until the Letters Patent incorporating the corporation are issued.

PART 3 ■ INCORPORATION

Pre-incorporation Considerations

3.1 At this point, you should consider whether the activities or undertaking of the proposed corporation may come under the supervision or regulation of, or be of interest to a Ministry or an Agency of the Government. In particular:

- Will the corporation seek financial assistance from the Government?
- Are the proposed activities of the corporation regulated by a Ministry or Agency of the Government?
- Will the corporation engage in activities that would supplement services provided by a Ministry or Agency of the Government?

If the answer to any one of the above questions is "yes", then it may be wise to consult the appropriate Ministry or Agency prior to completing the application. Some Ministries or Agencies may require that you contact them prior to incorporation and some may also offer assistance in drafting objects for the proposed corporation.

Such consultation with the regulating bodies may, in the long run, save you time, inconvenience and expense.

For example:

- if the corporation is to operate a kindergarten or a nursery school, home for children or a day care service, you should consult the Ministry of Community and Social Services;
- if the corporation is to provide a home for the aged, you should consult both the Ministry of Community and Social Services, and the Ministry of Municipal Affairs and Housing;
- if the corporation is to provide cultural or citizenship programs you should consult the Ministry of Citizenship, Culture and Recreation;
- if the corporation is to provide education or training programs you should consult the Ministry of Education and Training;
- if the corporation is to be a charity, you should consult the Office of the Public Guardian and Trustee (Ontario) and Revenue Canada, Taxation; (see Part 6 of this Handbook)
- if the corporation is to provide health care services or to engage in related activities or if the corporation is to be an association of health care professionals, you should consult the Ministry of Health;
- if the corporation is to provide prisoner rehabilitation services you should consult the Ministry of the Solicitor General and Correctional Services.

Note: This is not an exhaustive list of instances where other Ministries are to be consulted.

Completion of Application - General Comments

3.2 The application must be in the form prescribed by the Regulations and may be obtained by mail from:

Companies Branch
Ministry of Consumer and Commercial Relations
393 University Avenue
Suite 200
Toronto, Ontario
M5G 2M2
Telephone (416) 314-8880 or toll free in Ontario 1-800-361-3223

or in person at 375 University Avenue, 2nd Floor, Toronto, Ontario.

Detailed instructions for completion accompany each set of application forms and those instructions are not repeated in the Handbook. The information in this Handbook is more general and is intended to clarify and supplement the instructions that are supplied with the application forms. (See **Appendix "A1"** sample application for incorporation)

Head Office

3.3 Every corporation is required to have a head office in Ontario (section 277 of the Act). This does not necessarily mean that a corporation must own or lease a special building or a suite of offices. The intention of the Act is to have an address formally designated as the head office of the corporation where certain records are kept and where the corporation may be reached by an interested party. Some incorporators use their home address for this purpose and accordingly that address is set out in Item 2 of the application for incorporation.

Directors

3.4 The first directors, not fewer than three (section 283 of the Act) individuals named as directors in the Letters Patent, are the directors of the corporation until replaced by other individuals duly elected in their stead (section 284 of the Act). The first directors of the corporation have all the powers, duties and liabilities of directors that are elected to the board.

The office of director is not only an office that accords prestige to the person who holds it, it also places on that person responsibilities and even liabilities. Accordingly, any person accepting a directorship should be prepared to assume the responsibilities that go with the director's office.

Objects - General

3.5 Definition of Objects

Objects are concise statements of the ultimate purpose of the corporation from which flow the powers of the corporation if the corporation is a charity.

Content of Objects - See Part 6 for charitable standard objects

The principal objects, that is objects which describe the primary undertaking of the corporation, should be the first statement, followed by secondary objects, if any.

The objects should not be an enumeration of the proposed activities and/or the aims of the corporation. It is advisable to keep the objects statement short but broad in nature, (except for charities, see Part 6 of this Handbook), since a general object will include the particulars normally included in that sort of undertaking. On the other hand, the objects should be sufficiently specific so as to avoid ambiguity.

Examples: the objects for a community youth organization might be drafted as follows:

- The establishment and operation of a youth organization for the purpose of:
  a) promoting the best interests of teenagers in the Town of Kenora;
  b) promoting interest in athletics, sports and recreation and establishing and maintaining facilities and equipment for same.

  and other complementary purposes not inconsistent with these objectives.

- The objects of a ratepayers' association might be drafted as follows:
  The establishment and operation of a residents' association for the purpose of
  a) fostering and advancing the interests of the residents of the community of Central Don Mills;
  b) carrying on research and investigation into problems connected with ownership and development of real property in the community.

- The objects of a social club, with premises, might be drafted as follows:
  The establishment and operation of a social club for the purpose of
  a) promoting social and recreational activities among the members of the corporation;
  b) providing recreational facilities and a club house for the accommodation of members of the corporation and their guests.

SEE APPENDIX "D" Draft Standard Clauses for non-profit non-charitable, non-regulated corporations under Part III of the **Corporations Act**.

Note: Clause 4 of the application must contain objects only and **not** powers or special provisions.

Objects - Charities

3.6 See Part 6. of this Handbook.

Ancillary Powers

3.7 All corporations automatically acquire ancillary or supplementary powers unless withheld in the Letters Patent or Supplementary Letters Patent. Ancillary powers, if any, should be included in clause 5 of the application under Special Provisions.

Special Provisions

3.8 The applicants may ask to have embodied in the Letters Patent any provision that may be made the subject of a by-law of the corporation except for provisions concerning the term of office for the directors or providing for the election and retirement of directors in rotation. The only provision that must appear in the Letters Patent is the "No Gain" clause, which is pre-printed on the form. In most cases it is sufficient to set out the special provisions in the by-laws rather than the Letters Patent as provisions included in the Letters Patent cannot be changed without filing Supplementary Letters Patent.

Some items that may be included in the special provisions section are:

(i) Borrowing powers (see wording in section 59)
(ii) Distribution of assets
(iii) Director's remuneration
(iv) Membership qualification
(v) French or foreign version of name
(vi) Other powers

Supporting Documents

3.9 In certain circumstances an application for incorporation must be accompanied by certain supporting documents. For example, if at the time of making the application there exists an unincorporated organization, a "Consent and Undertaking" (see **Appendix "E"**) is required; or if it is desired to incorporate a service club, such as Civitans, Kiwanis, Knights of Columbus, Lions, Rotary, etc. a consent from the "parent" organization must be obtained and enclosed with the application.

Checklist

3.10

a) Have you fully completed **all** items in the application and, if not applicable, so stated?

b) Have you enclosed with the application

- the original of the Ontario-biased NUANS Name Search Report?
- a cheque for the appropriate amount made payable to the Minister of Finance?
- the appropriate supporting documents, if required?

Timing

3.11 An application for incorporation is usually processed within approximately 8 weeks of receipt in the Branch. The Letters Patent will bear the effective date as of the date of delivery unless the application is returned for revision, in which case Letters Patent will bear an effective date as of the date of redelivery to the Companies Branch, provided the application is correct.

PART 4 ■ ORGANIZATION AND START UP

Organization and Start Up

4.1 Once the corporation has received its Letters Patent, a number of essential steps are required to be initiated so that the directors may properly administer the affairs of the corporation. Among these steps are:

- establishing directors' quorum
- adoption of by-laws
- banking and financial arrangements
- appointment of auditors
- appointment of officers

It may be advisable to retain the services of a lawyer who specializes in corporation law to ensure the corporation is properly organized and the directors understand their responsibilities. By having the corporation properly organized, you should eliminate a number of potentially serious problems in the future.

Should you decide to proceed with the organization of your corporation without the assistance of a lawyer, you should refer to the:

- **Corporations Act**
- **Corporations Information Act**

which may be purchased by mail order from:

Publications Ontario
50 Grosvenor St.
Toronto, Ontario
M7A 1N8
Telephone (416) 326-5300 or toll free 1-800-668-9938

For Personal Shopping call (416) 326-5324

In addition, detailed procedural information and precedents may be found in the:

- Ontario Corporation Manual;
- Ontario Corporations Law Guide; and
- Canadian Corporate Secretary's Guide.

Theses are private publications and are usually available in the reference department of most public libraries.

PART 5 ■ CORPORATE MAINTENANCE AND FILING REQUIREMENTS

Annual Meeting

5.1 An annual meeting must be held not later than eighteen months after incorporation and subsequently not more than fifteen months after the holding of the last annual meeting. (s. 293)

Election of Directors and Officers

5.2 Usually the directors are elected annually at the general meeting by the members of the corporation. Directors in office at the time are retired and, if eligible, may seek re-election to resume office for another year. (s. 287(1)(2))

Generally directors are elected by members, and officers are appointed by the board of directors.

There are three exceptions:

- ex-officio directors (s. 127)
- election of directors in rotation (section 287 (5))
- division of members into territorial or common interest groups (s. 130)

Quorum for Meetings

5.3 The quorum for meetings of directors is a majority, unless otherwise provided for in the Letters Patent, Supplementary Letters Patent or in a special resolution of the corporation, and in any event shall not be less than two-fifths of the board of directors. (s. 288)

Reporting Requirements

5.4 **Within 60 days** of incorporation, you are required to file an Initial Return (see section 2 of the **Corporations Information Act**) with Companies Branch - by mail:

Companies Branch
Ministry of Consumer and Commercial Relations
393 University Avenue, Suite 200
Toronto, Ontario M5G 2M2

- or in person at:

Companies Branch
Ministry of Consumer and Commercial Relations
375 University Avenue, 2nd Floor
Toronto, Ontario M5G 2M2

Telephone (416) 314-8880 or toll free in Ontario 1-800-361-3223.

Notice of Change

Subsequently, within 15 days after every change that takes place in the information set out in the Initial Return, (this includes every change in the Board of Directors, officers or residential address or change in the corporation's address for service), you must file a Notice of Change (section 4 of the **Corporations Information Act**) at the addresses listed above.

Currently, there is no fee for filing the Initial Return or the Notice of Change at Companies Branch. The appropriate form is supplied to you at the time of incorporation. Additional forms may be obtained from Companies Branch.

Electronic filing of Form 1 Initial Return/Notice of Change under the **Corporations Information Act** may be done through the two Primary Service Providers (PSPs) (**see Appendix M**).

Special Information Notice

Periodically special information notices under section 6 of the **Corporations Information Act** are mailed out to all Ontario non-profit corporations on record with the Companies Branch. When your corporation receives this document, it is essential that it be completed and returned to the Branch within thirty days. **The special information notice must be filed whether or not the corporation has recently filed an Initial Return or Notice of Change** (Form 1 under the **Corporations Information Act**). **Failure to file the special information notice may result in cancellation of the charter and the dissolution of the corporation.**

Penalties for Failure to Comply with Filing Requirements

5.5 The importance of submitting these filings cannot be over-emphasized. Failure to comply may lead to cancellation of the Letters Patent and dissolution of the corporation. Penalties are provided in the **Corporations Information Act** for individuals (up to $2,000) and for corporations (up to $25,000) where reporting requirements are not complied with. Also, a corporation that is in default of the reporting requirements is not capable of maintaining any action in any court in Ontario in respect of any contracts made by the corporation.

Additional Reporting Requirements

5.6 Where a corporation is regulated or funded by a Ministry or Agency of the Government, it may be required to comply with other reporting requirements in addition to those contained in the Handbook.

Audit Provisions

5.7 For corporations whose annual income is greater than $10,000, members of the corporation must appoint an auditor to hold office until the first annual meeting and at each annual meeting, must appoint one or more auditors to hold office until the next annual meeting. There is no waiving of this statutory requirement (s.96.1 and 133).

Where a corporation's annual income is less than $10,000 and all the shareholders consent in writing, corporations are exempt from a financial audit.

Record Keeping Requirements

5.8 A not-for-profit corporation is required, among other things, to meet certain record keeping obligations such as:

- proper books of account and accounting records (s. 302)
- minutes of meetings of members and directors (s. 299)
- maintain copies of Letters Patent, Supplementary Letters Patent, By-Laws and Special Resolutions (s. 300)
- a register of its members and directors (s. 300)

Use of Corporate Name

5.9 The name of a corporation is set out in the instrument of incorporation (Letters Patent) or if subsequently changed, in the instrument of amendment (Supplementary Letters Patent) and that is the name that the corporation must use (for exception see paragraph 5.11) in all transactions.

For example, if the name of the corporation is *The Muskoka and Haliburton Naturalists Inc*, it may **not** identify itself as *Muskoka and Haliburton Naturalists*.

Changing Corporate Name

5.10 A corporation may apply for Supplementary Letters Patent to change its corporate name. (see s. 131 of the Act and s. 19 of the Regulations)

Use of a Name Other than Corporate Name

5.11 A corporation may use a name other than its corporate name. For example, a corporation called Federation of Ontario Moose Callers may carry on its undertaking under the assumed name "Ontario Moose Callers".

However, NO corporation shall carry on business in Ontario **or** identify itself to the Ontario public by a name other than its corporate name unless the assumed name is first registered with the Companies Branch (section 2(1) of the **Business Names Act**). The appropriate registration form, (Form 2, under the **Business Names Act**) may be obtained by mail from:

Companies Branch
Ministry of Consumer and Commercial Relations
393 University Avenue
Suite 200
Toronto, Ontario
M5G 2M2

or in person at:

Companies Branch
Ministry of Consumer and Commercial Relations
375 University Avenue, 2nd Floor
Toronto, Ontario
M5G 2M2
Telephone (416) 314-8880 or toll free in Ontario 1-800-361-3223

A corporation which has registered and uses a name other than its corporate name is required to set out its corporate name on all contracts, invoices, negotiable instruments and orders for goods and services. (Section 2 (6) of the **Business Names Act**)

Changing the Authorized Number of Directors

5.12 The number of directors of a corporation is established at the time of incorporation, being the number of first directors named in the Letters Patent.

The board of directors of a corporation shall consist of a **fixed** number of directors not fewer than three (s. 283(2) of the Act).

A corporation may by special resolution increase or decrease the number of its directors (s. 285 of the Act).

"Special Resolution" means a resolution passed by the directors and confirmed with or without variation by at least two-thirds of the votes cast at a general meeting of the members of the corporation duly called for that purpose or in lieu of such confirmation by the consent in writing of all the members entitled to vote at such a meeting.

Changing the Location of the Head Office

5.13 The location of the head office is established in the Letters Patent. However, a corporation may by special resolution change the location of its head office to another place in Ontario (s. 277 of the Act).

"Special Resolution" means a resolution passed by the directors and confirmed with or without variation by at least two-thirds of the votes cast at a general meeting of the members of the corporation duly called for that purpose or in lieu of such confirmation by the consent in writing of all the members entitled to vote at such a meeting.

Changing the Objects and Special Provisions

5.14 A corporation may apply for Supplementary Letters Patent to change all or any of its objects and/or special provisions set out in the Letters Patent (see s. 131 of the Act and section 19 of the Regulations).

If the corporation is, or after issuance of Supplementary Letters Patent, would be funded, supervised, etc. by a Government Agency or Ministry, it may be wise to consult with the funding or supervising Agency or Ministry prior to completing the application for Supplementary Letters Patent.

Applicants for Supplementary Letters Patent should also bear in mind that, in addition to the **Corporations Act**, there may be other legislation to which the corporation may be subject.

Income Tax Act Considerations

5.15 A non-profit or not-for-profit corporation is generally exempt from federal income tax either as a "non-profit organization" as described in paragraph 149(1)(l) of the **Federal Income Tax Act** or if registered as a charity within the meaning assigned under section 149.1.

Although an organization may not qualify for charitable status, the non-profit-non-charitable designation may still be advantageous from a federal income tax point of view. The following activities, in accordance with Section 149(1) of the **Income Tax Act** (Federal), qualify for exemption from tax on their income without being a charity.

Section of Income Tax Act	Possible Type Of Activity
Section 149(1)(e)	An agricultural organization, a Board of Trade, or a Chamber of Commerce.
Section 149(1)(i)	Certain housing corporations providing low-cost housing accommodation for the aged.
Section 149(1)(j)	Non-profit corporation for scientific research.
Section 149(1)(k)	A benevolent or fraternal benefit society or order, a labour organization or society.
Section 149(1)(l)	Amateur athletic organization, club, society, or association for social welfare, civic improvement, pleasure or recreation.
Section 149(1)(n)	Limited dividend housing company under the **National Housing Act**, constructing, holding, or managing low-rental housing project.

Incidentally, a non-profit, low-cost housing organization established exclusively for the aged, under Section 149(1)(i), can also obtain the ability to issue income tax receipts for donations in accordance with Section 118.1(1)(c) of the **Income Tax Act**, without being incorporated as a charity.

Ontario Corporations Tax Branch Requirements

5.16 Corporations, whether share or non-share, which are exempt from both income tax and capital tax, are not required to file annual Ontario Corporations Tax Returns (CT-23) with the Corporations Tax Branch.

Exempt corporations are defined for income tax purposes under section 57 of the **Ontario Corporations Tax Act** (the Act) and for capital tax purposes under section 71 of the Act and include:

a) charities and other corporations - any corporation referred to in paragraph 149(1)(c), (d), (e), (f), (h.l), (i), (j), (k), (m), (n), (o), (o.l), (o.2), (o.3), or (t) of the **Income Tax Act (Canada)**. This list includes municipal corporations, certain Crown corporations, registered charities, certain

housing corporations, non-profit corporations for scientific research, labour organizations, limited dividend housing corporations, pension corporations, prescribed small business investment corporations and certain other non-profit organizations (boards of trade, agriculture organizations, chamber of commerce).

b) Non-profit organizations - clubs, societies or associations that are organized and operated exclusively for social welfare, civic improvement, pleasure or recreation or for any other purpose other than profit, and **have never** distributed their income, funds or property to benefit shareholders, members, etc. (with a small exception e.g. distributions whose primary purpose is ultimately the promotion of amateur athletics in Canada).

c) Farmers and Fishermen insurers - an insurer who receives at least 25% of the gross premiums for insuring property used in farming or fishing or residences of farmers or fishers. The 25% test is confirmed by the Superintendent of Insurance. This provision exempts from income tax the Farmers Mutual Insurance Companies insuring farmers in Ontario.

Mutual insurance corporations receiving premiums wholly from the insurance of churches, schools or other charitable organizations are now required to file a return and pay a flat capital tax of $100, only if their total assets and/or gross revenue are in excess of $1 million.

This example shows a corporation which is exempt from income tax, is not necessarily guaranteed an exemption from capital tax; that exemption determination has to be done separately.

Where a corporation loses its exempt status for a particular taxation year it would be required to file a return and pay the taxes for that year. It would also be required to file for each subsequent year if:

a) it had a taxable income for the year;

b) its total assets and/or gross revenue exceed $1 million.

For corporations which have not lost their exempt status, the Branch may require that these corporations complete questionnaires from time to time to see if their tax status has changed.

Dissolution - Surrender of the Charter

5.17 Where a corporation no longer serves the purpose for which it was incorporated or where the members have lost the interest in the corporation, it may be desirable for the members to terminate the existence of the corporation. The most straight forward method of dissolution is the surrender of the charter (see s. 319 of the Act and s. 23 of the Regulations).

Part 6 ■ CHARITIES

These guidelines are intended to provide some basic information on incorporating a non-profit charitable corporation in Ontario.

Incorporating a Charity

6.1 The majority of Ontario charitable corporations are incorporated by Letters Patent issued under the provincial **Corporations Act**. The procedure for incorporating a charity under the **Corporations Act** is described in 6.2 and 6.3 below.

There are two other ways to incorporate a charity. They are not discussed in detail in the Not-For-Profit Incorporator's Handbook. If you need further information, you may contact the responsible organizations at the addresses set out below.

By private bill or special Act of the legislature.
The provincial legislature can pass a private bill or special Act establishing a charity. This procedure is generally more time-consuming than the two other methods. Today very few charities are created by private bill or special Acts of the legislature. The procedure for private bills is set out in the publication *Standing Orders of the Legislative Assembly* and further information can be obtained by contacting Legislative Counsel, Suite 3600, Whitney Block, 99 Wellesley Street, Queen's Park, Toronto, Ontario, M7A 1A2; telephone (416) 326-2841.

By federal Letters Patent issued through Industry Canada.
Letters Patent can be issued under the **Canada Corporations Act**. Applicants should contact Industry Canada, Corporations Directorate, Jean Edmonds Tower South, 9th Floor, 365 Laurier Avenue West, Ottawa, Ontario, K1A 0C8, telephone (613) 941-9042, for particulars of application procedures, forms and fees. Charities that operate or have property or offices in Ontario must also comply with Ontario law concerning charities even if they are incorporated under federal law.

What is a Charitable Corporation

6.2 Charities are a special kind of not-for-profit corporation. In order to be a charity, a corporation must meet the general requirements for not-for-profit corporations and some additional requirements. A summary of these additional requirements is set out below.

1. The name of the corporation

The name of a charitable corporation must satisfy all of the requirements set out in Part 2 of the Not-For-Profit Incorporator's Handbook. The name should also describe the purpose of the charity. The name of a foundation can include the name of a person or family, for example, the "Smith Foundation".

2. The objects or purposes of the corporation

The objects, or purposes, of a corporation are set out in one or more paragraphs, in the Letters Patent, called the object clauses. The object clauses describe the nature of the work the charitable corporation will undertake.

A corporation can carry out activities described in the object clauses. It can also carry out other activities provided they further the objects or are minor in relation to the activities described in the object clauses. It is not permissible to use the property of the corporation for purposes, charitable or not, which are outside the scope of the objects set out in the Letters Patent. Examples of object clauses are found in Appendix "G".

For a corporation to be a charity, the objects must satisfy the following requirements:

a) ***The objects of the corporation must be legally charitable***
If a corporation is to be a charity its objects must be charitable. The legal meaning of "charity" is not the same as the popular meaning of the word.

Charity, in the legal sense, describes four areas. A charitable corporation must be set up to carry out activities in one or all of these areas. They are:

- Relief of poverty;
- Advancement of education;
- Advancement of religion; and
- Other purposes beneficial to the community, as determined by the courts, but not falling under any of the above.

It is important that the object clauses clearly describe the activities the corporation will carry out. It is not acceptable simply to reproduce the four principal areas of charity.

All of the objects of a charitable corporation must be charitable. A corporation which has some charitable objects and some non-charitable objects is not a charity.

Objects must be stated precisely so that it is clear how the property of the charity is supposed to be used. If it is not clear whether an object is charitable, the courts have decided that it will not be considered charitable.

b) ***The objects must promote a public benefit***
A charity must benefit the community or a large part of the community - not only a few people. For example, raising funds for one person who suffers from a disease is not considered charitable because it provides a benefit only to that person. Raising funds for disease research is considered charitable because, while only the people who suffer from the disease benefit directly from research, the community as a whole benefits from decreased health care costs and decreased risk of contracting the disease.

3. **Special Provisions**

The special provisions set out some of the duties and obligations of the charity and its directors. The Public Guardian and Trustee requires the special provisions found in Appendix "H" to be set out in the Letters Patent.

4. **Incidental and ancillary Powers**

The incidental and ancillary powers are the means by which the charity will fulfil its objects. Examples of possible power clauses are found in Appendix "I". If the applicant is not using the pre-approved object clauses, the applicant may decide to use power clauses. If no power clauses are stated in the Letters Patent, the corporation will have the powers set out in the **Corporations Act**, subject to any restrictions found in charities law.

How to Apply for Letters Patent

6.3 To obtain Ontario Letters Patent incorporating a charity you must complete an Application for Incorporation of a Corporation without Share Capital in accordance with Parts 1 to 5 of the Not-For-Profit Incorporator's Handbook. In addition, you must follow the guidelines set out in this Part. An application form can be obtained by contacting Companies Branch at the address in 6.3.1 below.

Once you have completed your Application for Incorporation of a Corporation without Share Capital, there are two ways to apply for Letters Patent:

1. *Directly through the Companies Branch of Ministry of Consumer and Commercial Relations using only pre-approved object and special provision clauses.* The procedure for incorporation directly through Companies Branch is set out in 6.3.1 below.

2. *Through the Public Guardian and Trustee using object clauses drafted for your charity.* The procedure for incorporations requiring the approval of the Public Guardian and Trustee is set out in 6.3.2 below.

6.3.1 Applying directly to Companies Branch using only pre-approved object and special provision clauses

The Public Guardian and Trustee has developed standard, pre-approved, object clauses for some of the most common types of charitable corporations. The pre-approved object clauses are set out in **Appendix "G"**. If you use only the pre-approved object clauses, you can apply directly to Companies Branch.

Deciding Whether to Use the Pre-approved Objects

The pre-approved object clauses cannot be used by all charities. A charity should only use the pre-approved object clauses if one or more of the clauses describes the intended purposes of that organization. It is important that the object clauses accurately describe the charitable purposes the corporation will carry out.

Before deciding to use the pre-approved object clauses you should think about the activities your charity will carry out both on start-up and in the foreseeable future. Engaging in activities beyond the scope of the objects set out in the Letters Patent is not permissible. Directors of a corporation which uses property for purposes not in the object clauses may be required by a court to repay the money used for other purposes.

If the pre-approved object clauses do not accurately describe the purposes you intend the corporation to carry out, or if you wish to add additional object clauses, the pre-approved object clauses should not be used. Other object clauses will have to be drafted and the application for incorporation must be reviewed and approved by the Public Guardian and Trustee. (The procedure for this is set out in 6.3.2 below.)

How to Use the Pre-approved Objects

If you use the pre-approved object clauses to apply directly to Companies Branch you must also use the pre-approved special provisions set out in **Appendix "H"**. These should go into Part 5 of your application for incorporation. Please note that there are two investment powers (clause G) set out in **Appendix "H"**. You must chose only one of the two investment powers.

To use the pre-approved object clauses you must:

1. Follow the directions in Parts 1 to 5 of the Not-For-Profit Incorporator's Handbook.
2. You may use one or more of the pre-approved object clauses.
3. Fill in any blank spaces with the relevant information (such as the particular faith or religion in the religious category).
4. Use the pre-approved object and special provision clauses word-for-word.

From time to time, the Public Guardian and Trustee will approve additional pre-approved object clauses. The most recent list of pre-approved object clauses is available from the Public Guardian and Trustee and from Companies Branch. The list can also be found on the Public Guardian and Trustee Internet site.

Where to send it

Send your completed application to:

Companies Branch
Ministry of Consumer and Commercial Relations
393 University Avenue, Suite 200
Toronto ON M5G 2M2

Tel: (416) 314-8880 or toll free in Ontario 1-800-361-3223

Revenue Canada

Revenue Canada has pre-approved the pre-approved clauses to simplify applying for a charitable registration number (now known as a business number). If you intend to apply to Revenue Canada for charitable registration and you wish to use any of the pre-approved clauses, it is your responsibility to make sure that you have used the pre-approved clauses word-for-word. Even if Companies Branch issues the Letters Patent, Revenue Canada may not approve the clauses if there is a variation in wording.

Your organization's use of proper objects is only part of Revenue Canada's requirements for charitable registration. Revenue Canada must take other factors into consideration, including the activities and programs your organization undertakes to achieve its objects. For information on how to apply to Revenue Canada for charitable registration you may wish to contact your local Revenue Canada office which can be found in the blue pages of your telephone book or call the Charities Division in Ottawa at (613) 954-0410, Toll - Free 1-800-267-2384.

6.3.2 Applications for Incorporation through the Public Guardian and Trustee

All applicants who do not use the pre-approved object and special provision clauses must submit their applications for incorporation to the Public Guardian and Trustee for approval. Applicants should submit their applications to the Public Guardian and Trustee as if they were applying to the Companies Branch of the Ministry of Consumer and Commercial Relations (that is, you need to follow the directions outlined in Parts 1 to 5 of the Not-For-Profit Incorporator's Handbook).

Objects

If you submit your application to the Public Guardian and Trustee for approval, you may draft object clauses tailored to fit the unique nature of the work your corporation will undertake. The pre-approved object clauses in **Appendix "G"** may help you in writing your own object clauses. The Public Guardian and Trustee will review your objects to determine whether they are charitable.

Special Provisions

The special provisions in **Appendix "H"** must be included in section 5 of the application. Please note that there are two investment powers (clause G) set out in **Appendix "H"**. You must choose only one of those investment powers.

Powers

If you intend to seek the approval of the Public Guardian and Trustee, you may choose from the power clauses set out in **Appendix "I"**. These power clauses are optional. If they are to be included as part of the Letters Patent, they should be set out in section 5 of the application. If no powers are stated, the corporation will have the powers provided in the **Corporations Act**, subject to any restrictions found in charities law.

What to send

- Two duplicate original signed copies of the application to the attention of the Charitable Property Program.
- A covering letter setting out the name, address and telephone number of the person or firm to whom the Letters Patent or any correspondence regarding the application should be mailed.
- A cheque or money order made payable to the Public Guardian and Trustee. This fee covers the cost of the Public Guardian and Trustee's review and the cost of incorporation with the Ministry of Consumer and Commercial Relations. The fees as of the date of writing the Not-for-Profit Incorporator's Handbook are set out in **Appendix "J"**.

- You may send a NUANS search report (described in section 2.13 of the Not-For-Profit Incorporator's Handbook) with your application, but remember that a NUANS search is only valid for 90 days. You may choose not to enclose a NUANS report with the application. You will be contacted when the NUANS report is required.
- It is helpful if the applicant provides any literature or documents showing the nature of the organization's activities. This is useful in deciding whether the objects are within the legal definition of charity.
- If the organization is already in operation and wishes to become an incorporated charity, copies of its previous financial statements, governing documents and the names of the members of the board of trustees should be included.

If the application for incorporation is approved, the Public Guardian and Trustee will forward it to Companies Branch. Companies Branch will issue the Letters Patent. The Public Guardian and Trustee's review portion of the fee is non-refundable even if the applicant discontinues the application.

Where to send it

Office of the Public Guardian and Trustee
Charitable Property Program
8th Floor, 595 Bay Street,
Toronto, ON
M5G 2M6
Tel: (416) 326-1963

Please note that the Public Guardian and Trustee does not have a special expedited process available on payment of an increased fee. If you include the expedite fee for Companies Branch, your application will receive expedited service only once it is received by Companies Branch. For more information about expedited service please contact Companies Branch at the address set out in 6.3.1 above.

6.3.3 Grounds for refusing applications for charitable organizations

The following are some of the reasons for which the Public Guardian and Trustee may refuse to approve an application to incorporate a charitable organization:

- Objects are not wholly and exclusively charitable
- Objects are too broad or are vague
- The power clauses include a purpose which is not legally charitable
- There are concerns that the proposed charity will not be properly administered, considering a previous failure of the incorporators to comply with the law relating to charities

- The organization has been operating as an unincorporated association and its financial documents show that a disproportionate amount of charitable funds are being used for non-charitable purposes or administrative expenses
- The name of the organization does not reflect the purposes set out in the application
- The organization is primarily promoting private members' interests or benefits
- The organization is pursuing political purposes
- The organization's liabilities exceed its assets

If your application does not meet the Public Guardian and Trustee's requirements you will be notified of the deficiencies and, in most cases, given an opportunity to amend your application.

Benefits of being a charity

6.4 Charities enjoy certain tax privileges. Charities have exemption from, and reduced liability for, some municipal, provincial and federal taxes. Registered charities under the federal **Income Tax Act** can issue income tax donation receipts so that donors can obtain tax credits.

Charities enjoy legal protections intended to protect charitable property. When a charitable purpose or object becomes impossible or impracticable to carry out, the courts apply charitable property to new purposes which are as similar as possible to the original purposes. The courts can also use this power when charitable organizations dissolve without a clause in their Letters Patent providing for the distribution of its remaining property.

A charity reporting to the Public Guardian and Trustee derives the following benefits:

- Members of the public, charitable foundations and government agencies that provide funding and donations often seek confirmation from the Public Guardian and Trustee that the charity is complying with the Public Guardian and Trustee's reporting requirements.
- The Public Guardian and Trustee maintains a database of Ontario charities that is regularly used to find charities entitled to receive gifts under Ontario estates.
- The Public Guardian and Trustee's database may also be used to identify charities which may be suitable to receive the property of dissolved charities or gifts from estates to non-existent, defunct or unidentifiable charities.

Special situations of religious organizations

6.5 Religious organizations should consider certain issues carefully before incorporating.

Governing Law

If a religious organization becomes incorporated, its ecclesiastical, canon or church laws, rules or regulations may be subject to the **Corporations Act**. This means that if any ecclesiastical, canon or church law, rule or regulations conflicts with the **Corporations Act**, the organization, once incorporated, must comply with the **Corporations Act** and will no longer be able to use that law, rule or regulation in administering its affairs.

Real Estate

In addition, a religious organization's power to lease real estate or buildings to others may be substantially restricted by the **Charities Accounting Act**. The **Religious Organizations' Lands Act** applies to unincorporated religious organizations. That Act allows the trustees of a religious organization to lease land held by them on behalf of the organization for a maximum period of 40 years, provided the land is no longer required for any of the organization's religious purposes. When a religious organization incorporates, the **Charities Accounting Act** applies. That Act generally allows charities to hold land only for their own use. If the organization is currently leasing property, it may wish to consult a lawyer before incorporating.

Other applications reviewed by the Public Guardian and Trustee

6.6

6.6.1 Supplementary Letters Patent

Supplementary Letters Patent are needed to change the name, objects or powers of an incorporated charity. Supplementary Letters Patent to change only the name of the corporation do not require the approval of the Public Guardian and Trustee. You can send the application for Supplementary Letters Patent to change the name of the corporation directly to Companies Branch. However, all other applications for Supplementary Letters Patent do require the approval of the Public Guardian and Trustee.

Supplementary Letters Patent to Change Objects

A charity's property can be used only to promote its charitable objects. Changes may take place that make the objects obsolete, not useful, or impossible to fulfil and, from time to time, it may be necessary to change the objects so that the charity's resources can be applied efficiently.

Significant Changes

The Public Guardian and Trustee will be concerned if the proposed change to the objects is so significant that the revised objects depart from the spirit and intent of the original objects. In that case, applicants may be required to include in the application for Supplementary Letters Patent a paragraph similar to the following:

All funds and other property held by the corporation immediately before these Supplementary Letters Patent become effective or at any time thereafter received by the corporation pursuant to any Will, deed or other instrument made before these Supplementary Letters Patent become effective, together with all income thereon and accretions thereto, shall be applied only to the objects of the corporation as they were immediately before these Supplementary Letters Patent become effective.

The effect of this paragraph is:

1. Property acquired after the Supplementary Letters Patent become effective can only be used for the objects as changed by the Supplementary Letters Patent.
2. Property acquired before the Supplementary Letters Patent become effective can only be used for the objects in place before they were changed by the Supplementary Letters Patent. This includes income received from a Will, deed or other document made before the Supplementary Letters Patent became effective.

This paragraph is not usually required where the changes being made to the objects of the corporation are not significant. Examples of changes not considered significant are:

1. Deleting objects the corporation no longer intends to carry out or narrowing the scope of the objects.
2. Rewriting the objects to reflect social changes in the use of certain terminology, for example replacing words such as "crippled" with "disabled".
3. Expanding or otherwise changing the power clauses.

The paragraph may also not be required if the applicants can show that it would not be appropriate in the case of their charity. For example, if the applicant is amending Letters Patent because it has become impossible to carry out the original objects, and the new objects are similar to the original objects, it would not be appropriate to require property to be used for the old objects.

If the applicant believes that the paragraph is not appropriate they should not include the paragraph in the application for Supplementary Letters Patent submitted to the Public Guardian and Trustee. Instead they must provide a detailed explanation why the paragraph is not appropriate in the case of their charity.

What to Send

The following should be sent to the Public Guardian and Trustee for review:

- Duplicate original signed copies of an application for Supplementary Letters Patent.
- A covering letter setting out the name, address and telephone number of the person or firm to whom the Supplementary Letters Patent, or any correspondence regarding the application should be mailed and setting out all names, including acronyms used by the charity.
- A cheque or money order payable to the Public Guardian and Trustee. This fee covers the cost of the Public Guardian and Trustee's review and the review and filing fee of the Ministry of Consumer and Commercial Relations. The fees as of the date of the Not-For-Profit Incorporator's Handbook are set out in **Appendix "J"**.
- If the name of the corporation will change, you may send a NUANS search report (described in section 2.13 of the Not-For-Profit Incorporator's Handbook) with your application, but remember that a NUANS search is only valid for 90 days. You may choose not to enclose a NUANS report with the application. You will be contacted when the NUANS report is required.
- A copy of the Letters Patent and any prior Supplementary Letters Patent, unless they have already been filed with our Office.
- The current names and addresses of the directors and officers.
- The annual audited financial statements for the last three financial years.
- Any other documentation in support of the proposed changes.

If the application for Supplementary Letters Patent is approved, the Public Guardian and Trustee will forward it to Companies Branch. Companies Branch will review the application and issue the Supplementary Letters Patent.

6.6.2 Dissolution and surrender of charter

Letters Patent generally set out what will happen to the property of the corporation if the corporation ceases to exist. Usually, the Letters Patent state that upon dissolution, and after payment of all debts and liabilities, the charity's remaining property will go to charitable organizations in Ontario or Canada. This is referred to as a "dissolution clause".

If the Letters Patent have a dissolution clause, the directors should pass a resolution to name the charity they want to receive the charity's remaining assets upon dissolution. This resolution should be passed before the charity is dissolved.

If the Letters Patent do not have a dissolution clause, the directors will have to pass a by-law to distribute charity's remaining assets to other charitable organizations upon dissolution. This by-law should be passed before the charity is dissolved. After the directors have passed the by-law they should call a general meeting to confirm the by-law. The by-law must be confirmed by two thirds of the votes cast at the meeting.

If the directors do not distribute the charity's property, it will be forfeited to the Crown under section 322 of the **Corporations Act**. The Public Guardian and Trustee will hold the assets. The Public Guardian and Trustee will then apply for a court order to give the assets to a charity which does charitable work similar to the work which was done by the dissolved corporation.

In the course of dissolution, the charity should not pay any salary, remuneration, or honorarium to its directors. Neither should a director purchase any property of the charity, without prior approval of the court.

Special Purpose Funds

If money or other property is given to a charity for a special purpose, the charity must use the money for the special purpose - it holds the money in trust for that purpose. Directors of a dissolving charity must be careful to point out to the charity receiving the trust money that it is to be used only for the special purpose.

The last directors of a charity have an obligation to ensure that any special trust property is distributed when the corporation is dissolved. If money is held by a charity for a special purpose and it is not possible to carry out that special purpose, the charity will need a Court Order to dispose of the property. An order can be obtained quickly and relatively inexpensively using Section 13 of the **Charities Accounting Act**, on the consent of the Public Guardian and Trustee. The Public Guardian and Trustee will work with the last directors of the charity to obtain such an order. You should contact the Charitable Property Program to see if this is feasible in your particular circumstances.

What to send

The following should be submitted for the Public Guardian and Trustee's review when submitting an Application for Surrender of Charter/Termination of Corporate Existence:

- Duplicate original signed copies of the Application for Surrender of Charter/Termination of corporate existence.

- A covering letter setting out the name, address and telephone number of the person or firm to whom any correspondence regarding the application should be mailed and setting out all names, including acronyms used by the charity.
- A cheque or money order payable to the Public Guardian and Trustee. The fees as of the date of the Not-For-Profit Incorporator's Handbook are set out in **Appendix "J"**.
- A copy of the Letters Patent and any Supplementary Letters Patent, unless they have already been filed with our Office.
- The current names and addresses of the directors and officers.
- The annual audited financial statements for the last three financial years.
- If charitable property remains to be distributed, the proposed plan of distribution including the names of the proposed charitable beneficiaries.
- Confirmation either that the dissolving corporation does not hold any trust, special purpose or restricted purpose funds, or if it does hold such funds, how it proposes to transfer them to any successor charities.

If the Application for Surrender of Charter is accepted, the Public Guardian and Trustee will forward it to Companies Branch. Companies Branch has separate requirements for dissolution.

Further information on dissolution or surrender of the charity's charter may be obtained from the Office of the Public Guardian and Trustee or from Companies Branch of the Ministry of Consumer and Commercial Relations.

6.6.3 Revival of a charity's charter

If a charitable corporation is dissolved, application can be made to the Companies Branch for revival of its charter. Companies Branch may require the consent of the Public Guardian and Trustee before reviving the corporation.

What to send

If Companies Branch requires the Public Guardian and Trustee's consent to the revival of a dissolved charity the applicant should submit the following documentation and information to the Public Guardian and Trustee:

- Duplicate original signed copies of the Application for Revival of Corporation.
- A covering letter setting out the name, address and telephone number of the person or firm to whom any correspondence regarding the application should be mailed.

- A cheque or money order payable to the Public Guardian and Trustee. This fee covers the cost of the Public Guardian and Trustee's review and the review and filing fee of the Ministry of Consumer and Commercial Relations. The fees as of the date of the Not-for-Profit Incorporator's Handbook are set out in **Appendix "J"**.
- You may send a NUANS search report (described in section 2.13 of the Not-For-Profit Incorporator's Handbook) with your application, but remember that a NUANS search is only valid for 90 days. You may choose not to enclose a NUANS report with the application. You will be contacted when the NUANS report is required.
- A copy of the Letters Patent and any Supplementary Letters Patent, unless they have already been filed with our Office.
- The current names and addresses of the directors and officers.
- The annual audited financial statements for the three financial years prior to dissolution.
- A statement of the cause or the reasons for the dissolution.
- A declaration that the organization will continue to pursue its objects as stated in the Letters Patent it had before dissolution.

If the application for revival of corporation is accepted, the Public Guardian and Trustee will forward it to Companies Branch. The Public Guardian and Trustee's review portion of the fee is non-refundable even if the applicant discontinues the application.

6.6.4 Amalgamation

Subject to certain conditions, the **Corporations Act** allows two or more corporations under that Act to amalgamate as one corporation. If one of the amalgamating corporations is charitable or if the amalgamated corporation is to be charitable, the request to amalgamate must be submitted to the Public Guardian and Trustee for its review and pre-approval.

What to send

The following should be submitted to the Public Guardian and Trustee:

- Duplicate original signed copies of the application for Letters Patent of Amalgamation.
- A signed copy of the Amalgamation Agreement.
- A covering letter setting out the name, address and telephone number of the person or firm to whom the Letters Patent of Amalgamation and any correspondence regarding the application should be mailed.
- A cheque or money order payable to the Public Guardian and Trustee. The fees as of the date of the Not-For-Profit Incorporator's Handbook are set out in **Appendix "J"**.

- If the name of the amalgamated corporation will not be the same as the name of one of the amalgamating corporations, you may send a NUANS search report (described in section 2.13 of the Not-For-Profit Incorporator's Handbook) with your application, but remember that a NUANS search is only valid for 90 days. You may choose not to enclose a NUANS report with the application. You will be contacted when the NUANS report is required.
- The annual audited financial statements for *each* of the amalgamating corporations for the last three years (or since incorporation, if incorporated less than three years ago). Generally, a corporation (whether charitable or not) whose liabilities exceed its assets will not be permitted to amalgamate with a charitable corporation.
- A copy of the Letters Patent and any Supplementary Letters Patent for each amalgamating corporation unless they have already been filed with our Office.
- The current names and addresses of the directors and officers.

If the objects of the amalgamated corporation will be significantly different from those of one of the amalgamating corporations you may be required to amend the amalgamation agreement to include a clause similar to the following:

All funds and other property held by the amalgamating corporations immediately before the Letters Patent of Amalgamation become effective or at any time thereafter received by the amalgamated corporation pursuant to any Will, deed or other instrument made before the Letters Patent of Amalgamation become effective, together with all income thereon and accretions thereto shall be applied only to the objects of the respective amalgamating corporation as they are immediately before the Letters Patent of Amalgamation become effective.

If the application for Letters Patent of Amalgamation is accepted, the Public Guardian and Trustee will forward it to Companies Branch. The Public Guardian and Trustee's review portion of the fee is non-refundable even if the applicant discontinues the application.

The Public Guardian and Trustee

6.7

6.7.1 Notification and reporting requirements of the Public Guardian and Trustee

Charities and others receiving or holding property for charitable purposes are required to provide information to the Public Guardian and Trustee under sections 1 and 2 of the **Charities Accounting Act**. This requirement is in addition to other reporting obligations, for example, to Revenue Canada under the federal **Income Tax Act**.

Initial Reporting Requirements

When you incorporate a charity, you must provide to the Public Guardian and Trustee the following documents and information:

- A copy of the Letters Patent governing the charity
- The street and mailing addresses of the charity, and the names and the street and mailing addresses of its directors and officers
- All legal and popular or common names or acronyms by which the charity is known or identified
- The registration and business identification numbers assigned by Revenue Canada for charitable donation tax-credit purposes. Please advise if a registration number has not been assigned, or subsequently is revoked, and provide an explanation

These reporting requirement also apply to charitable trusts and incorporated charitable organizations.

General Ongoing Reporting Requirement

- You must advise the Public Guardian and Trustee of any changes to the above information as they occur.

6.7.2 Additional information which may be required by the Public Guardian and Trustee

The Public Guardian and Trustee can request information and documentation about the administration or management of the corporation. When the information is requested under section 2 of the **Charities Accounting Act** the directors of the charity are required to provide it.

The Public Guardian and Trustee can require that the accounts of the administration and management of a charity's property be passed in the Superior Court of Justice. The passing of accounts is a legal process in which a charity submits a detailed record of its expenses and revenues. The Public Guardian and Trustee could ask for records for a period of many years.

Registration with Revenue Canada

6.8 Any charitable corporation wishing to apply for registration with Revenue Canada as a registered charity must file with Revenue Canada.

The application forms and an explanatory brochure are available from any Revenue Canada Office. See the blue pages of your telephone book for the office nearest you, or call Information on the Government of Canada at 1-800-667-3355.

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Ontario Corporation Number
Numéro de la personne morale en Ontario

1

APPENDIX "A"

Not-For-Profit Charitable (standard objects)

Form 2
Corporations Act
Formule 2
Loi sur les personnes morales

APPLICATION FOR INCORPORATION OF A CORPORATION WITHOUT SHARE CAPITAL
REQUÊTE EN CONSTITUTION D'UNE PERSONNE MORALE SANS CAPITAL ACTIONS

1. The name of the corporation is/Dénomination sociale de la personne morale:

W	E	S	T		S	I	D	E		C	O	M	M	U	N	I	Y		S	H	E	L	T	E	R				

2. The address of the head office of the corporation is/Adresse du siège social:

1 West Street

(Street & No., or R.R. No., or Lot & Concession No., or Lot & Plan No., Post Office Box No. not acceptable, if Multi-Office Building give Room No.)
(Rue et numéro, ou R.R. et numéro de lot et de concession, ou numéro de lot et de plan, numéro de boîte postale inacceptable, s'il s'agit d'un édifice à bureaux, numéro du bureau)

Toronto Ontario M1A7G7

(Name of Municipality)
(Nom de la municipalité)

(Postal Code/Code Postal)

3. The applicants who are to be the first directors of the corporation are:
Requérants appelés à devenir les premiers administrateurs de la personne morale:

Name in full, including all first, middle names Nom et prénoms au complet	Address for service, giving Street & No., or R.R. No. or Lot & Concession No., or Lot & Plan No., and Postal Code (Post Office Box No. not acceptable) Adresse personnelle y compris la rue et le numéro ou la R.R. et le numéro, ou le numéro de lot et de concession, ou Le numéro de lot et de plan, ainsi que le code postal (Numéro de boîte postale inacceptable)
Jane Wilson	1 West Street, Toronto, Ontario M1A 7G7
Barbara Roswell	48 Wild Cedar Road, Markham, Ontario N1A 6N6
Brian Harvey	24 Wellington Ave., Toronto, Ontario M3M 2M8

4. The objects for which the corporation is incorporated are:
Objets pour lesquels la personne morale est constituée:

To relieve poverty by providing food and other basic supplies to persons of low income, by establishing, operating and maintaining shelters for the homeless, and by providing counselling and other similar programs to relieve poverty.

5. The special provisions are/Dispositions particulières:

The corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the corporation shall be used in promoting its objects.

La personne morale doit exercer ses activités sans rechercher de gain pécuniaire pour ses membres, et tout bénéfice ou tout accroissement de l'actif de la personne morale doit être utilisé pour promouvoir ses objets.

A. The corporation shall be carried on without the purpose of gain for its members and any profits or their accretions to the corporation shall be used in promoting its objects.

B. The corporation shall be subject to the Charities Accounting Act and the Charitable Gifts Act.

C. The directors shall serve as such without remuneration and no director shall directly or indirectly receive any profit from their positions as such, provided that directors may be paid reasonable expenses incurred by them in the performance of their duties.

D. The borrowing power of the corporation pursuant to any by-law passed and confirmed in accordance with section 59 of the Corporations Act shall be limited to borrowing money for current operating expenses, provided that the borrowing power of the corporation shall not be so limited if it borrows on the security of real or personal property.

E. If it is made to appear to the satisfaction of the Minister, upon report of the Public Guardian and Trustee, that the corporation has failed to comply with any of the provisions of the Charities Accounting Act or the Charitable Gifts Act, the Minister may authorize an inquiry for the purpose of determining whether or not there is sufficient cause for the Lieutenant Governor to make an order under subsection 317(1) of the Corporations Act to cancel the letters patent of the corporation and declare them to be dissolved.

F. Upon the dissolution of the corporation and after payment of all debts and liabilities, its remaining property shall be distributed or disposed of to charities registered under the Income Tax Act (Canada), in Canada.

G. To invest the funds of the corporation in such manner as determined by the directors, and in making such investments the directors shall not be subject to the Trustee Act, but provided that such investments are reasonable, prudent and sagacious under the circumstances and do no constitute, either director or indirectly a conflict of interest.

H. For the above objects, and as incidental and ancillary thereto, to exercise any of the powers as prescribed by the Corporations Act, or by any other statutes or laws from time to time applicable, except where such power is limited by these letters patent or the statute or common law relating to charities.

6 The names and residence addresses of the applicants:
Nom et prénoms et adresse personnelle des requérants:

Name in full, including all first, middle names Nom et prénoms au complet	Residence address, giving Street & No. or R.R. No. or Lot & Concession No. or Lot & Plan No. and Postal Code (Post Office Box No. not acceptable) Adresse personnelle y compris la rue et le numéro ou le R.R. et le numéro, ou le numéro de lot et de concession ou Le numéro de lot et de plan, ainsi que le code postal (Numéro de boîte postale inacceptable)
Jane Wilson	1 West Street, Toronto Ont M1A 7G7
Barbara Roswell	48 Wild Cedar Road Markham, Ontario N1A 6N6
Brian Harvey	24 Wellington Ave., Toronto Ont. M3M 2M8

This application is executed in duplicate.
La présente requête est faite en double exemplaire.

Signatures of applicants/Signature des requérants

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Ontario Corporation Number
Numéro de la personne morale en Ontario

1

APPENDIX "A1"

Not-For-Profit NOT Charitable (non standard objects)

Form 2
Corporations Act
Formule 2
Loi sur les personnes morales

APPLICATION FOR INCORPORATION OF A CORPORATION WITHOUT SHARE CAPITAL
REQUÊTE EN CONSTITUTION D'UNE PERSONNE MORALE SANS CAPITAL ACTIONS

1. The name of the corporation is/Dénomination sociale de la personne morale:

T	H	E		H	A	W	K	S		H	O	C	K	E	Y		C	L	U	B									

2. The address of the head office of the corporation is/Adresse du siège social:

25 West Ave., Suite 12

(Street & No., or R.R. No., or Lot & Concession No., or Lot & Plan No., Post Office Box No. not acceptable, if Multi-Office Building give Room No.)
(Rue et numéro, ou R.R. et numéro de lot et de concession, ou numéro de lot et de plan, numéro de boîte postale inacceptable, s'il s'agit d'un édifice à bureaux, numéro du bureau)

Toronto Ontario — M4A5G5

(Name of Municipality)
(Nom de la municipalité)

(Postal Code/Code Postal)

3. The applicants who are to be the first directors of the corporation are:
Requérants appelés à devenir les premiers administrateurs de la personne morale:

Name in full, including all first, middle names Nom et prénoms au complet	Address for service, giving Street & No., or R.R. No., or Lot & Concession No., or Lot & Plan No., and Postal Code (Post Office Box No. not acceptable) Domicile élu y compris la rue et le numéro ou la R.R. et le numéro, ou le numéro de lot et de concession, ou Le numéro de lot et de plan, ainsi que le code postal (Numéro de boîte postale inacceptable)
Sally Smith	25 West Ave., Suite 12, Toronto, Ontario M4A 5G5
Henry Ross	204 Bayridge Rd. Markham, Ontario L1X 3A3
Robert Wayne	55 Bestway Ave. Toronto, Ontario M1M 1E2

4. The objects for which the corporation is incorporated are:
Objets pour lesquels la personne morale est constituée:

To establish and operate an athletics club for the purposed of

a) promoting organized sports, games and recreation, and in particular, hockey;

b) arranging matches and competitions, and establishing and granting prizes, awards and distinctions;

c) fostering goodwill and sportsmanship;

and such other complementary purposes not inconsistent with these objects.

5. The special provisions are/Dispositions particulières:

The corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the corporation shall be used in promoting its objects.

La personne morale doit exercer ses activités sans rechercher de gain pécuniaire pour ses membres, et tout bénéfice ou tout accroissement de l'actif de la personne morale doit être utilisé pour promouvoir ses objets.

6 The names and address for service of the applicants:
Nom et prénoms et domicile élu des requérants :

Name in full, including all first, middle names Nom et prénoms au complet	Address for service, giving Street & No., or R.R. No. or Lot & Concession No. or Lot & Plan No. and Postal Code (Post Office Box No. not acceptable) Domicile élu y compris la rue et le numéro ou la R.R. et le numéro, ou le numéro de lot et de concession, ou Le numéro de lot et de plan, ainsi que le code postal (Numéro de boîte postale inacceptable)
Sally Smith	25 West Ave., Suite 12, Toronto, Ontario M4A 5G5
Henry Ross	204 Bayridge Rd. Markham, Ontario L1X 3A3
Robert Wayne	55 Bestway Avenue Toronto, Ontario M1M 1E2

This application is executed in duplicate.
La présente requête est faite en double exemplaire.

Signatures of applicants/Signature des requérants

APPENDIX "B"

Addresses of Corporation Branches in Other Canadian Jurisdictions

ALBERTA

General Inquiry.....(780) 427-2311
Registrar of Corporations
Corporate Registry
10365 - 97 Street, Mezzanine Level
Edmonton, Alberta
T5J 3W7

BRITISH COLUMBIA

General Inquiry.....(250) 387-7848
Registrar of Companies
Corporate and Personal Property Registries
Ministry of Finance & Corporate Relations
940 Blanshard Street
Victoria, British Columbia
V8W 3E6

*Mailing address

P.O. Box 9431
Station Provincial Government
Victoria, British Columbia
V8W 9V3

CANADA

General Inquiry.....(819) 997-1142
Director
Corporations Branch
Industry Canada
Phase 11 - 11th Floor
50 Victoria Street
Place du Portage
OTTAWA/HULL
K1A 0C9

MANITOBA

General Inquiry / Name Reservation .....(204) 945-2500
Director
Companies Office
Department of Consumer & Corporate Affairs
1010 Woodsworth Building
1010 Broadway
Winnipeg, Manitoba
R3C 3L6

New Brunswick

General Inquiry.....(506) 453-2703
Director, Corporate Affairs
Department of Justice
Centennial Building, Room 475
670 King Street
P.O. Box 6000
Fredericton, New Brunswick
E3B 5H1

Newfoundland and Labrador

General Inquiry.....(709) 729-3317
Registrar of Deeds & Companies
Government of Newfoundland & Labrador
Department of Government Services & Lands
P.O. Box 8700
Confederation Building
St. John's, Newfoundland
A1B 4J6

N.W.T.

General Inquiry.....(867) 873-7492
Registrar of Corporations
Department of Justice
Government of the Northwest Territories
P.O. Box 1320
Yellowknife, N.W.T.
X1A 2L9

Nova Scotia

General Inquiry.....(902) 424-7770
Registrar of Joint Stock Companies
Department of the Attorney General
1505 Hollis Street, 9th Floor
Centennial Building
P.O. Box 1529
Halifax, Nova Scotia
B3J 2Y4

P.E.I.

General Inquiry.....(902) 368-4550
Director of Corporations
Corporations Division
Department of Community Affairs & Attorney General
Shaw Building
95 Rochford Street
P.O. Box 2000
Charlottetown, P.E.I.
C1A 7N8

Quebec

General Inquiry.....(418) 643-3625
Directeur
Direction des Enterprises
Inspecteur Général des Institutions Financières
800, Place d'Youville
6e étage
Québec, Québec
G1R 4Y5

Saskatchewan

General Inquiry.....(306) 787-2962
Director
Corporations Branch
Department of Justice
2nd Floor, 1871 Smith Street
Regina, Saskatchewan
S4P 3V7

Yukon

General Inquiry.....(403) 667-5442
Registrar of Corporations
Department of Justice
Box 2703
Whitehorse, Yukon
Y1A 2C6

Nunavut

General Inquiry.....(867) 979-5822
Mailing Address Iqaluit:
Office of the Interim
Commissioner
P.O. Box 1750
Iqaluit, NT X0A 0H0

Mailing Address Ottawa:
Office of the Interim
Commissioner
307-350 Sparks Street
Ottawa, ON K1R 7S8

APPENDIX "C"

Search Houses

Search houses are private business enterprises; they are NOT sponsored by any provincial or federal government. Search houses have, through a business arrangement, access to the NUANS* computer data base of corporate names, trade marks and business names in use in Canada. The fees charged and services provided vary from search house to search house. Accordingly, it is wise to shop around.

The search house you select will produce a computer printed name search report in duplicate. As a service to their customers, search houses usually highlight the names of any existing corporations, sole proprietorships and partnerships as well as trade marks that might conflict with the proposed name. **(You should bear in mind however, that the selection of the name is the responsibility of the incorporator.)**

Search houses are listed in the yellow pages of the local telephone directory under **"Searchers of Records"**.

*(NUANS, New Upgraded Automated Name Search System, is owned by the Corporations Branch of Industry Canada).

APPENDIX "D"

Samples of Object Clauses for Non-Profit Non-Charitable Corporations under Part III of the Corporations Act

Athletics and Sports

A. 1. Aquatics: The establishment and operation of an aquatics club for the purposes of

a) promoting interest in aquatic games, sports and recreation;
b) arranging matches and competitions, and establishing and granting prizes, awards and distinctions;

and such other complementary purposes not inconsistent with these objects.

2. Athletics Clubs: The establishment and operation of an athletics club for the purposes of

a) promoting organized athletics sports, games and recreation, and in particular,_____;
b) arranging matches and competitions, and establishing and granting prizes, awards and distinctions;
c) fostering goodwill and sportsmanship;

and such other complementary purposes not inconsistent with these objects.

3. Curling: The establishment and operation of a curling club for the purposes of

a) promoting the sport of curling;
b) providing facilities for curling;

and such other complementary purposes not inconsistent with these objects.

4. Fishing and Hunting (Rod and Reel) Club: The establishment and operation of a hunting and fishing (rod and reel) club for the purposes of

a) encouraging organized sport fishing;
b) encouraging organized gunmanship;
c) promoting better knowledge of safe handling and proper care of firearms;

d) promoting the study of local fish and game potential and their conservation;
e) promoting the principles of good sportsmanship;

and such other complementary purposes not inconsistent with these objects.

5. Flying: The establishment and operation of a flying club for the purposes of

a) promoting interest in flying and aviation;
b) teaching and training of persons in the art and science of aviation and the operation of aircraft;

and such other complementary purposes not inconsistent with these objects.

6. Golf: The establishment and operation of a golf, country, sporting and social club for the purposes of

a) promoting interest and participation in the sport of golfing;
b) arranging tournaments and competitions, and establishing and granting prizes, awards and distinctions;
c) providing dining, meeting, changing, and equipment rooms and other facilities for members and their guests;

and such other complementary purposes not inconsistent with these objects.

7. Health Club: The establishment and operation of a health and fitness club for the purposes of

a) promoting interest in health and physical fitness;
b) providing exercise equipment, changing and meeting rooms and other facilities for members and their guests;

and such other complementary purposes not inconsistent with these objects.

8. Hockey: The establishment and operation of a hockey club for the purposes of

a) promoting interest in amateur hockey;
b) arranging matches and competitions, and establishing and granting prizes, awards and distinctions;

and such other complementary purposes not inconsistent with these objects.

9. Riding: The establishment and operation of a riding club for the purposes of

a) fostering interest in horsemanship;
b) encouraging breeding and showing of horses (and, particularly, the sponsorship of an annual exhibition and horse show at_____);
c) encouraging matches and competitions between various breeds of horses;
d) promoting the good qualities and merits of various breeds of horses;

and such other complementary purposes not inconsistent with these objects.

10. Skating: The establishment and operation of a skating club for the purposes of

a) promoting figure skating;
b) arranging for instruction, displays and exhibits of figure skating skills;
c) arranging matches and competitions and establishing and granting prizes, awards and distinctions;

and such other complementary purposes not inconsistent with these objects.

11. Snowmobiling: The establishment and operation of a snowmobile club for the purposes of

a) promoting safe snowmobiling;
b) arranging for instruction, displays and exhibits of snowmobiling skills;
c) arranging matches and competitions and establishing and granting prizes, awards and distinctions;

and such other complementary purposes not inconsistent with these objects.

12. Swimming: The establishment and operation of a swimming club for the purposes of

a) promoting aquatic sports;
b) providing opportunities and training for self-development, leadership and sportsmanship in the field of aquatic activities;
c) arranging matches and competitions, and establishing and granting prizes, awards and distinctions;

and such other complimentary purposes not inconsistent with these objects.

13. Yachting: The establishment and operation of a yacht club for the purposes of

a) developing and fostering the sport of yachting;
b) encouraging the development of seamanship through yachting and the knowledge of navigation;

and such other complementary purposes not inconsistent with these objects.

14. Other

Arts

B. 1. Dance: The establishment and operation of dance festivals for the purposes of promoting ballet dancing and the allied arts and public appreciation and interest therein, and such other complementary purposes not inconsistent with these objects.

2. Literary: The establishment and operation of a literary society for the purposes of

a) encouraging creative writing in all forms;
b) establishing and granting prizes, awards and distinctions;

and such other complementary purposes not inconsistent with these objects.

3. Music: The establishment and operation of a music society for the purposes of

a) promoting interest in and the study and practice of the musical arts;
b) promoting lectures, concerts, classes and seminars in music and music-related activities;
c) arranging competitions and exhibitions, and establishing and granting prizes, awards and distinctions;

and such other complementary purposes not inconsistent with these objects.

4. Photography: The establishment and operation of a photography club for the purposes of studying and promoting the science of photography, and such other complementary purposes not inconsistent with these objects.

5. Theatre: The establishment and operation of dramatic theatre for the purposes of

a) promoting interest in and the practice of drama and the elated arts;
b) establishing and operating a theatre and repertory group;

c) providing facilities for education and instruction in the theatrical arts;
d) advancing knowledge and appreciation of dramatic culture and tradition by theatrical performances;
e) conducting annual theatrical festivals;

and such other complementary purposes not inconsistent with these objects.

6. Other

Business / Professional Groups

C. 1. Businessmen / Women: The establishment and operation of a businessmen/women's club for the purposes of promoting fellowship among people in business in the **(sector/location)**, and such other complementary purposes not inconsistent with these objects.

2. Employees: The establishment and operation of an employees' association for the purposes of

a) promoting the interests and well-being of the employees of _____;
b) organizing cultural, educational and recreational events for the benefit of the members;
c) providing for the welfare of the employees and former employees of _____and their dependants, by grants of money, pensions and insurance;

and such other complementary purposes not inconsistent with these objects.

3. Merchants' Association: The establishment and operation of a merchants' association for the purposes of

a) attracting customers to **(define locale)** and creating an atmosphere which will encourage customers to return;
b) promoting and encouraging fair and courteous dealings with customers;
c) promoting and encouraging ethical business practices;

and such other complementary purposes not inconsistent with these objects.

4. Professional Association: The establishment and operation of a **(specify)** professional association for the purposes of

a) uniting members of the **(specify)** profession and protecting the character and status of the profession, promoting ethical practice, settling questions of professional usage and courtesy among members of the profession;

b) maintaining and improving the qualifications and standards of the profession;
c) sharing information for the mutual benefit of the members;

and such other complementary purposes not inconsistent with these objects.

5. Trade Association: The establishment and operation of a (**type of trade**) association for the purposes of

a) promoting and protecting the interests and conserving the rights of those engaged in the (**trade**) and incidental businesses;
b) ensuring uniformity in usage, custom and trade conditions;
c) protecting the business interests of the members;
d) providing business information and statistics of interest to business persons in the (**trade**);
e) maintaining and improving the qualifications and standards of the (**trade**);

and such other complementary purposes not inconsistent with these objects.

6. Other

Community

D. 1. Community Association: The establishment and maintenance of a community organization for the purposes of

a) developing and fostering community spirit;
b) promoting organized athletics, arts, recreation, education, civic emergency, social service and other community endeavours;
c) establishing and maintaining a community home;
d) promoting adult educational, recreational and athletic facilities and equipment for benefit to the community;

and such other complementary purposes not inconsistent with these objects.

2. Community Centre: The establishment and operation of a community centre for the purposes of

a) promoting the best interests of the community generally;
b) promoting interest in athletics, sports and recreation in the community and establishing and maintaining physical facilities and equipment for same;

and such other complementary purposes not inconsistent with these objects.

3. **Community Club:** The establishment and operation of a community club for the purposes of

a) promoting and fostering community spirit and engaging in work of a moral, benevolent and community service nature for the residents of_____;
b) organizing cultural and recreational events;

and such other complementary purposes not inconsistent with these objects.

4. **Conservation:** The establishment and operation of a conservation association for the purposes of

a) uniting all persons interested in the conservation of flora and fauna, the natural beauties of (**locale**) and the beautification, preservation and extension of parks and green belts;
b) gathering and exchanging ideas, data and statistical, scientific, horticultural and botanical information;
c) assuring protection and enhancing appreciation of the ecology of the natural environment;

and such other complementary purposes not inconsistent with these objects.

5. **Ethnic:** The establishment and operation of a club for the purposes of

a) uniting the residents of Ontario who are of _____ origin;
b) preserving and perpetuating the traditions of _____;
c) sponsoring literary, musical and other educational and cultural events, festivals, pageants and conventions for the promotion of people of _____ descent;
d) promoting interests of members and mutual aid and assistance whenever necessary;
e) establishing and maintaining a centre for cultural activities for Canadians of _____descent in the Province of Ontario;

and such other complementary purposes not inconsistent with these objects.

6. **Fraternity / Sorority:** The establishment and operation of a fraternity/sorority for the purposes of

a) promoting the mutual interests of its members;
b) establishing and operating a house for its members with all the usual accommodation and conveniences of a club and providing suitable quarters and entertainment for its members and their friends;

and such other complementary purposes not inconsistent with these objects.

7. **Historical:** The establishment and operation of a historical society for the purposes of

a) promoting public interest in the history, of (**place**) and to encourage research therein;
b) conducting and promoting historical and archaeological research;
c) maintaining a library and museum;

and such other complementary purposes not inconsistent with these objects.

8. **Home and School Association:** The establishment and operation of a home and school association for the purposes of

a) promoting the study of child problems, for the creation and development of the best conditions for the training of boys and girls;
b) uniting parents of school children and teachers of such children attending schools in _____;
c) co-operating with school boards and other home and school associations;
d) providing to school boards, boards of education and the Ministry of Education and Training progressive measures and helping make public opinion favourable to reform and advancement of such matters;

and such other complementary purposes not inconsistent with these objects.

9. **Lobbying:** The establishment and operation of a public lobbying organization for the purposes of

a) securing public support in Canada for the enactment/repeal of legislation by the government dealing with _____;
b) making representations to the government for the enactment/repeal of such legislation;
c) rendering assistance to the government by supplying information collected as result of research carried on under the auspices of the corporation;
d) co-ordinating activities of the corporation with those of similar organizations, societies and individuals in Canada;

and such other complementary purposes not inconsistent with these objects.

10. **Research / Scientific:** The establishment and operations of a research/scientific association for the purposes of

a) undertaking technical, statistical and scientific research in commercial, industrial, cultural and scientific fields;
b) engaging in the investigation and development of products, methods of manufacturing and distribution;

c) promoting the science of _____ and the knowledge and practice thereof;
d) holding conferences, meetings and exhibitions for the discussion of _____ problems and exchange of views thereon;
e) establishing scientific projects;
f) establishing a library or collection of books or other publications dealing with _____;
g) establishing and maintaining suitable quarters and facilities for the corporation to further its objects;

and such other complementary purposes not inconsistent with these objects.

11. Residents: The establishment and operation of a residents' association for the purposes of

a) advancing the cultural and social interests of the seasonal and permanent owners and residents of properties in and around _____ in the province of Ontario;
b) carrying on research and investigation into problems connected with the ownership, development, management, financing and promotion of real property in _____;
c) promoting aquatic, athletic, physical and other social and cultural activities among the residents of the said area;
d) opening and maintaining private roadways for the exclusive use of members and their guests;

and such other complementary purposes not inconsistent with these objects.

12. Service Club: The establishment and operation of a service club for the purposes of

a) pursuing interests in the civic, commercial, social and moral welfare of the community;
b) providing a forum for the discussion of all matters of public interest;
c) promoting and fostering interests in the welfare of the World and international relationships;
d) promoting the principles of good government and good citizenship;
e) uniting persons interested in the bonds of friendship, good fellowship and mutual understanding;
f) encouraging and carrying on social and welfare work;
g) improving and promoting good business and professional ethics;

and such other complementary purposes not inconsistent with these objects.

13. Social Club: The establishment and operation of a social club for the purposes of

a) providing facilities for the pleasure and accommodation of members and guests;
b) organizing social and cultural events;

and such other complementary purposes not inconsistent with these objects.

14. Social Service Organization: The establishment and operation of a social service organization for the purposes of engaging in and encouraging social and juvenile welfare work, and such other complementary purposes not inconsistent with these objects.

15. Women's Affairs: The establishment and operation of a women's affairs organization for the purposes of

a) promoting the interests of women in all aspects of daily life;
b) providing a forum for the discussion of public issues affecting women;

and such other complementary purposes not inconsistent with these objects.

16. Other:

Based on *Canada Corporation Manual*, "Capacity-Powers" (Form IV.5), Kingston and Grover (eds.), Richard De Boo, Toronto.
and
O'Brien's Encyclopaedia of Forms, "Corporations" (Vol. 5), Weinberg (ed.), Part IV, Ch 24, Canada Law Book, 10th edition, Toronto. 1975.

APPENDIX "E"

Consent and Undertaking
Certified Copy of a Resolution

Appendix "E"

Consent and Undertaking
CERTIFIED COPY OF A RESOLUTION

BE IT RESOLVED THAT

(a) _____
(name of one of the applicants)

and others are authorized to apply for incorporation as a corporation without share capital under the name of

_____
(name of corporation to be incorporated)

(b) The _____
(name of the unincorporated organization)

undertakes to discontinue the use of its unincorporated name within six months of incorporation of the new corporation.

_____
(signature)

I HEREBY CERTIFY this to be a true copy of the resolution of the members of

_____
(name of unincorporated organization)

duly passed at a meeting of the said organization on _____
(date)

DATED _____

_____(Signature)_____
Secretary

APPENDIX "F"

Reporting Requirements for the Office of the Public Trustee

Charities and others receiving or holding property for charitable purposes are required to provide information to the Public Guardian and Trustee under sections 1 and 2 of the **Charities Accounting Act**, R.S.O. 1990, c. C.10 as amended. This requirement is distinct from other reporting obligations, for example to Revenue Canada under the federal **Income Tax Act**.

This information is used to monitor compliance with charities law and to identify charities that may be candidates to receive funds and property of defunct charities, charitable gifts to named charities that cannot be identified, and charitable gifts not designated to be given to any named charity.

Donors and others considering providing funding frequently ask of the Public Guardian and Trustee whether a charity is in compliance with the **Charities Accounting Act**.

The general reporting requirements under the **Charities Accounting Act** are detailed below. Please review these requirements carefully and retain this Notice as a reference for future reporting.

Please provide the currently required documentation and information - items 1(a), 2(a), 3 (a), and 4 - immediately. For the future, please provide the required documentation and information - items 1(b), 2(b), 3(b) and 4 - when required without further request.

General Reporting Requirements

1.
- **a)** A copy of the document establishing or governing the charity or charitable fund (e.g. corporate charter, trust, will, constitution) and of each document that has made any change thereto.
- **b)** For the future, a copy of all documents making or recording further changes, as those changes occur.

2. The street and mailing addresses of the charity or charitable fund, and the names and the street and mailing addresses of its trustees, directors and officers.
- **a)** for each of its last three financial years (or since its establishment, if established less than three years ago), and
- **b)** for the future, as this information changes.

3. All legal and popular or common names or acronyms by which the charity or charitable fund:
- **a)** has been or is known or identified, and
- **b)** in the future, becomes known or identified.

4. The registration number assigned by Revenue Canada for charitable donation tax-credit purposes. Please advise if a registration number has not been assigned, or has been or subsequently is revoked, and provide an explanation.

Please mail or fax required information to:

Office of the Public Guardian and Trustee
Charitable Property Division
595 Bay Street, Suite 800
Toronto ON M5G 2M6

Fax: (416) 326-1969

APPENDIX "G"

PREAPPROVED OBJECT CLAUSES AND SPECIAL PROVISIONS FOR USE IN INCORPORATING A CHARITY

1. Religious Organizations

a) To advance and teach the religious tenets, doctrines, observances and culture associated with the (specify faith or religion) faith.

OR

a) To preach and advance the teachings of the (specify faith or religion) faith and the religious tenets, doctrines, observances and culture associated with that faith.

b) To establish, maintain and support a house of worship with services conducted in accordance with the tenets and doctrines of the (specify faith or religion) faith.

c) To support and maintain missions and missionaries in order to propagate the (specify faith or religion) faith.

d) To establish and maintain a religious school of instruction for children, youths and adults.

2. Religious Schools

a) To establish and maintain a religious school of instruction for children, youths and adults.

b) To establish and maintain a religious day school.

3. Foundations

To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to charitable organizations that are also registered charities under the *Income Tax Act* (Canada).

4. Services for Senior Citizens

Senior Citizens Centres

a) To relieve loneliness and isolation of the aged or to improve their mobility and fitness by establishing, operating and maintaining a senior citizens centre to provide recreation, education, cultural activities and other programs for senior citizens.

Respite Services

b) To provide respite to persons caring for aged persons by providing temporary care to aged persons and by providing such services as housekeeping, meal preparation, nursing and shopping assistance.

Home Care

c) To provide support services for aged persons including personal care, housekeeping, meals, nursing and shopping assistance.

5. International Development

Relief of Poverty

a) To relieve poverty in developing nations by providing food and other basic supplies to persons in need.

Health

b) To develop or promote public health in developing nations by educating and instructing the public on prevention of, and curative measures for, health problems and by researching and documenting changes in the health of the community.

Drinking Water

c) To improve the quality of drinking water in developing nations by constructing wells and water treatment, irrigation and sewage treatment systems.

Agriculture

d) To improve skills in forestry, agriculture and horticulture and to assist in the preservation of the environment in developing nations.

Disaster Relief

e) To provide necessities of life to victims of disasters.

6. Assistance for the Sexually/Physically Abused

Child Abuse

Education

a) To educate the public and professionals about prevention of, and responses to, child sexual abuse by offering courses, seminars, conferences and meetings and by collecting and disseminating information on that topic.

Counselling

b) To assist those affected by child sexual abuse through counselling and treatment programs.

Spousal Abuse

c) To educate the public and professionals about prevention of, and responses to, spousal abuse by offering courses, seminars, conferences, and meetings and by collecting and disseminating information on that topic.

Counselling

d) To assist those affected by spousal abuse through counselling and treatment programs.

Shelters

e) To provide affordable and secure housing for women who have been emotionally, physically or sexually abused or traumatized and for their children.

7. Relief of Poverty

To relieve poverty by providing food and other basic supplies to persons of low income, by establishing, operating and maintaining shelters for the homeless, and by providing counselling and other similar programs to relieve poverty.

8. Programs for Physically or Mentally Disabled

Residences

a) To provide residential housing and a stable living environment to persons with disabilities.

Training, Education and Counselling

b) To provide life management counselling and other support services to assist persons with disabilities to become more independent in the community.

c) To provide training for, and to assist in, the placement of persons with disabilities in employment.

d) To provide support and encouragement to persons with disabilities by offering programs in individual development and integration into the community.

e) To provide relief to persons with disabilities by developing and implementing recreation, education and social integration programs for the disabled.

Community Education

f) To educate the public on debilitating conditions and the needs of persons with disabilities by providing seminars and by collecting and disseminating information on that topic.

9. Promotion of Health

Respite Services

a) To provide respite to persons caring for aged, ill or disabled persons by providing temporary care to aged, ill or disabled persons and by providing such services as housekeeping, meal preparation, nursing and shopping assistance.

Home Care

b) To provide support services for aged, ill or disabled persons including personal care, housekeeping, meals, nursing and shopping assistance.

Health Care Centre

c) To operate a community health care centre by providing medical, health and support services for the general public.

Health Care Co-ordination

d) To coordinate health care and social services for people with debilitating diseases, illnesses and conditions.

e) To provide social services to persons with debilitating diseases, illnesses and conditions.

Research

f) To conduct research into the causes, controls and cure of debilitating diseases, illnesses and conditions.

Mutual Support

g) To provide support for those affected by debilitating diseases, illnesses and conditions by offering education and counselling and by establishing mutual support groups.

10. Substance Abuse

a) To educate the public about the causes and effects of, and treatments for, substance abuse by offering courses, seminars, conferences and meetings and by collecting and disseminating information on that topic.

b) To conduct research for the benefit of the public into the causes of, and treatments for, substance abuse.

c) To coordinate health care and social support services for persons affected by substance abuse.

d) To assist persons in coping with the effects of substance abuse by offering education and counselling and by establishing mutual support groups.

e) To provide a treatment and recovery facility for substance abuse clients and to provide medical and social support services at the facility.

11. Preservation of the Environment

a) To organize or participate in environmental projects designed to:
- preserve and protect flora and fauna;
- preserve, protect and restore rivers; or
- improve the urban environment.

b) To educate and increase the public's understanding of the environment and its importance by offering courses, seminars, conferences and meetings and by collecting and disseminating information on that topic.

c) To develop and provide programs promoting the protection and preservation of the environment through re-use, reduction, recycling and recovery of waste and to educate institutions, industries, businesses and individuals about efficient waste management systems.

d) To conduct research relating to the environment and to disseminate the results of such research.

12. The Arts

a) To educate and increase the public's understanding and appreciation of the arts by providing performances of an artistic nature in public places, senior citizens homes, churches, community centres and educational institutions and by providing seminars on topics relating to such performances.

b) To provide instructional seminars on topics related to the performing and visual arts.

c) To produce performing arts festivals for the purposes of educating and advancing the public's understanding and appreciation of performing arts and to educate artists through participation in such festivals and related workshops.

13. Community Centres, Immigrant Services, Literacy and Employment Training

a) To establish and operate a community centre to be used for workshops, programs, athletics, drama, art, music, handicrafts, hobbies and recreation for the benefit of the general public.

Immigrant services

b) To provide education, counselling and other support services for immigrants and refugees in need, including language instruction, employment training, job search programs, translation services and information programs on Canadian culture and life.

Employment preparation, training and counselling

c) To establish, maintain and operate an employment training centre for needy unemployed and low skilled workers.

d) To provide assistance to needy persons in drafting resumes, searching for employment and preparing for job interviews.

e) To provide counselling to needy persons experiencing long-term unemployment.

f) To develop employment training and education programs for needy persons.

Literacy

g) To provide literacy programs and classes to members of the public.

h) To develop and provide education and training programs to persons who will conduct literacy training.

14. Low Cost Housing

To provide and operate non-profit residential accommodation and incidental facilities exclusively for:

- Persons of low income;
- Senior citizens primarily of low or modest income; or
- Disabled persons primarily of low or modest income.

APPENDIX "H"

Special Provisions Required of Incorporated Charities

a) The corporation shall be carried on without the purpose of gain for its members and any profits or other accretions to the corporation shall be used in promoting its objects.

b) The corporation shall be subject to the *Charities Accounting Act* and the *Charitable Gifts Act*.

c) The directors shall serve as such without remuneration and no director shall directly or indirectly receive any profit from their positions as such, provided that directors may be paid reasonable expenses incurred by them in the performance of their duties.

d) The borrowing power of the corporation pursuant to any by-law passed and confirmed in accordance with section 59 of the *Corporations Act* shall be limited to borrowing money for current operating expenses, provided that the borrowing power of the corporation shall not be so limited if it borrows on the security of real or personal property.

e) If it is made to appear to the satisfaction of the Minister, upon report of the Public Guardian and Trustee, that the corporation has failed to comply with any of the provisions of the *Charities Accounting Act* or the *Charitable Gifts Act*, the Minister may authorize an inquiry for the purpose of determining whether or not there is sufficient cause for the Lieutenant Governor to make an order under subsection 317(1) of the *Corporations Act* to cancel the letters patent of the corporation and declare them to be dissolved.

f) Upon the dissolution of the corporation and after payment of all debts and liabilities, its remaining property shall be distributed or disposed of to charities registered under the *Income Tax Act* (Canada), in Canada.

g) To invest the funds of the corporation pursuant to the *Trustee Act*.

OR

g) To invest the funds of the corporation in such manner as determined by the directors, and in making such investments the directors shall not be subject to the *Trustee Act*, but provided that such investments are reasonable, prudent and sagacious under the circumstances and do not constitute, either directly or indirectly a conflict of interest.

h) For the above objects, and as incidental and ancillary thereto, to exercise any of the powers as prescribed by the *Corporations Act*, or by any other statutes or laws from time to time applicable, except where such power is limited by these letters patent or the statute or common law relating to charities.

i) For the above objects, and as incidental and ancillary thereto, to exercise any of the powers as prescribed by the *Corporations Act*, or by any other statutes or laws from time to time applicable, except where such power is limited by these letters patent or the statute or common law relating to charities.

APPENDIX "I"

Optional Incidental and Ancillary Powers
As part of section 5 of the application

a) Power to Accumulate
To accumulate from time to time part of the fund or funds of the corporation and income therefrom subject to any statutes or laws from time to time applicable;

b) Power to Solicit Donations and Grants
To solicit and receive donations, bequests, legacies and grants, and to enter into agreements, contracts and undertakings incidental thereto;

c) Power to Receive Personal Property
To acquire by purchase, contract, donation, legacy, gift, grant, bequest or otherwise, any personal property and to enter into and carry out any agreements, contracts or undertakings incidental thereto, and to sell, dispose of and convey the same, or any part thereof, as may be considered advisable;

d) Power to Hold and Dispose of Real Property
To acquire by purchase, lease, devise, gift or otherwise, real property, and to hold such real property or interest therein necessary for the actual use and occupation of the corporation or for carrying on its charitable undertaking, and, when no longer so necessary, to sell, dispose of and convey the same or any part thereof;

e) Power to Hire
Either: To employ and pay such assistants, clerks, agents, representatives and employees, and to procure, equip and maintain such offices and other facilities and to incur such reasonable expenses, as may be necessary, provided that the corporation shall not pay any remuneration to a Director in any capacity whatsoever;
Or: To employ and pay such assistants, clerks, agents, representatives and employees, and to procure, equip and maintain such offices and other facilities and to incur such reasonable expenses, as may be necessary, provided that the corporation shall not pay any remuneration to a Director in any capacity whatsoever; and provided that all of the foregoing is subject to sections 23 and 61 of the Trustee Act and any order of the court;

f) Power to Cooperate with any Other Charitable Organizations
To cooperate, liaise, and contract with other charitable organizations, institutions or agencies which carry on similar objects to that of the corporation;

g) Power to Participate in the Reorganization of a Company
To take up proportions of any increased capital of a company or corporation in which the corporation may at any time hold shares or obligations; to purchase any additional shares or obligations in such company or corporation; to join in any plan for the reconstruction or reorganization or for the sale of assets of any company or corporation, or part thereof; to enter into any pooling or other agreement in connection with the shares or obligations of a company or corporation held by the corporation; and to give consent to the creation of any mortgage, lien or indebtedness of any company or corporation whose shares or obligations are held by the corporation; provided, however, that all of the foregoing is subject to the provisions of the Charitable Gifts Act;

h) Power to Sue and Compromise Claims
To demand and compel payment of all sums of money and claims to any real or personal property in which the corporation may have an interest and to compromise any such claims, and generally to sue and be sued in its corporate name;

i) Power to Issue Cheques
To draw, make, accept, endorse, execute and issue cheques and other negotiable or transferable instruments;

j) Power to Pay Costs of Incorporation
To pay all costs and expenses of, or incidental to, the incorporation.

k) Restriction on Powers
Provided that it shall not be lawful for the corporation directly or indirectly to transact or undertake any business within the meaning of the *Loan and Trust Corporations Act*.

APPENDIX "J"

Fees as of the Date of Printing of this Handbook

The fees payable to the Public Guardian and Trustee for review of documents are listed below. Please note on the face of the cheque or money order Public Guardian and Trustee account **999-999, GL 515-10**.

Applications for Letters Patent Containing Only the Pre-approved Objects and Provisions - $155.

Applications for Letters Patent not Containing Pre-approved Objects and Provisions - $305. This includes the Public Guardian and Trustee fee for reviewing the application ($150) and the Companies Branch fee for reviewing the application and issuing Letters Patent ($155).

Applications for Supplementary Letters Patent - $280. This includes the Public Guardian and Trustee fee for reviewing the application ($150) and the Companies Branch fee for reviewing the application and issuing Supplementary Letters Patent ($130).

Surrender of Charter - $150. This is the Public Guardian and Trustee fee for reviewing the application.

Revival - $250. This includes the Public Guardian and Trustee fee for reviewing the application ($150) and the Companies Branch fee for reviewing the application and granting an Order for Revival ($100).

Amalgamation - $150 for each amalgamating corporation plus $155. This includes the Public Guardian and Trustee fee for reviewing the application ($150 for each amalgamating corporation) and the Companies Branch fee for reviewing the application and issuing Letters Patent of Amalgamation ($155).

The Handbook and the charities bulletins are intended to provide basic information on charities. They are not intended to give legal advice. When necessary, charities should consult their own legal advisor.

APPENDIX "K"

Contacts:

Office of the Public Guardian and Trustee
Charitable Property Program
595 Bay Street, Suite 800
Toronto, Ontario
M5G 2M6

Telephone (416) 314-2800 or (416) 326-1963
or toll free 1-800-366-0335
Fax (416) 326-1969

Websites:
english:http://www.attorneygeneral.jus.gov.on.ca/html/pgt/pgthome.htm
french:http://www.attorneygeneral.jus.gov.on.ca/french/PGT/pgthome.htm

Ministry of Consumer and Commercial Relations
Companies Branch
393 University Avenue, Suite 200
Toronto, Ontario
M5G 2M2

Telephone (416) 314-8880
or toll free 1-800-361-3223
Fax (416) 314-4852

Industry Canada
Corporations Directorate
Jean Edmonds Tower South
365 Laurier Avenue West, 9th Floor
Ottawa, Ontario
K1A 0C8

Telephone (613) 941-9042

Ministry of Consumer and Commercial Relations
Alcohol and Gaming Commission of Ontario
20 Dundas St. West
Toronto, Ontario
M5G 2N6

Telephone (416) 326-8700
or toll free 1-800-522-2876
Fax (416) 326-0923

Revenue Canada
Charities Division
400 Cumberland Street, 5th Floor
Ottawa, Ontario
K1A 0L5

Toll free 1-800-267-2384

Revenue Canada District Tax Offices in Ontario are located in:

Belleville, Hamilton, Kingston, Kitchener, London, Mississauga, North York, Ottawa, Peterborough, St. Catharines, Scarborough, Thunder Bay, Toronto and Windsor